

# *Four Competitions Strong*



## AFN's Alaska Marketplace Competition

### **Executive Summary**

The Alaska Federation of Natives is pleased to present this Best Practice Report, which provides an overview of the four enormously successful *Alaska Marketplace* Competitions.

The *Alaska Marketplace* competition initiative has had a meaningful impact on economic activity in rural Alaska since it began in 2006. The award money has enabled new jobs and businesses to be created where none existed, and entrepreneurs have developed tangible new skill sets because of the technical assistance they received during the competition. Multiple participants who did not win award money have also expressed their appreciation for the competition, and some have reported that they are continuing to carry forward their business/idea.

This Best Practice Report provides a comprehensive report from the Alaska Marketplace experience including highlights of the four competitions in documenting the success of the initiative from the aspect of the applicants, judges and award winners.

The Alaska Federation of Natives conducted extensive outreach to all of the competition's 63 winners in preparation for this report. The response rate was an impressive 78%. Based on the overall feedback AFN received from previous winners of the *Alaska Marketplace*, it appears that 70% of them are still in business. 25% of the winners did not respond or provide an update, and only 5% (4 total) indicated that they were no longer pursuing the business/idea they had entered into the competition.

The true impact of the *Alaska Marketplace* competition is difficult to measure, but there is no question that the competition has launched dozens of new businesses, created one hundred new jobs, enabled winners to leverage their awards to secure additional resources, built relationships across the state, and infused entrepreneurs with the skills and confidence they need to start their own businesses and develop their nonprofit ideas.



*Alaska Marketplace III Winners*

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# What We Have Accomplished

## Created 100 + New Jobs & Employment Income

At least 100 new jobs have been created through the *Alaska Marketplace* competition, providing much needed cash income to cash-strapped rural residents.

Based on responses from the winners of the competition, we estimate that the number of new jobs created as a direct result of the *Alaska Marketplace* winners exceeds 100. For example, Chevak Bird Tours employs four full-time positions, Glacial Mud supports one full-time and one part-time position, the Kobuk has hired four laborers and two carpenters, and Cupik Dance employed three dancers, a director and two technical assistants for their movie.

In addition to the cash being generated by newly created jobs, the winners report a significant number of direct non-cash benefits to their communities from their projects. For example, the Gwich'in Tribal Health Alternative in Fort Yukon identified the project's "direct beneficiaries" to include: tribal government, local boat contractors, installation laborers, brush cutters, equipment operators, the local airlines, equipment vendors, the local fuel company and tribal members.





## Leveraged Awards to Secure Millions in Additional Cash

Above and beyond the specific funding awarded to winners by the *Alaska Marketplace*, a positive outcome of the competition has been the sizeable amount of additional money the winners have been able to leverage for their projects, totaling millions of dollars.

Although the *Alaska Marketplace* cash awards are significant in their own right, more often than not, the awarded amount is a fraction of the actual amount necessary to successfully launch the proposed business idea.

For example, the Kachemak Shellfish Mariculture Grower Cooperative needed \$1.5 million in funding to build their building, and the *Alaska Marketplace* award contributed \$27,945 of the total amount required. On a smaller scale, Igyan Eco Tours leveraged an additional \$300 from their regional nonprofit association, and \$1,000 from their Native regional corporation. The Kanektok River Adventures project in Quinhagak reported that they received \$100,000 in funds from the Native Village of Kwinhagak, Qanirtuuq after winning the *Marketplace* competition, while Alaska Glacial Mud qualified for grant funds from the United States Department of Agriculture.

*"The Alaska Marketplace program is an innovative solution for grass-roots economic stimulus that reaches out to a rural population that would otherwise have little access to capital and exposure. We wish success to all the applicants of this program."*

*-- Ester Ashton, Wrangell, Winner,  
Manufacturing Health Products  
from Southeast Alaska Forests*

## Knowledge Sharing that Builds Capacity

A number of winners reported about the value of the *Alaska Marketplace* as an avenue that enabled them to share information and expertise with others. For example, Raven Frog Fibers traveled from Sitka to Hoonah and taught 14 locals to spin yarn. In return, those newly trained spinners can now produce supply that will generate revenue for them through the sale of their product to Raven Frog. This is a perfect example of learning an art while learning a new skill and providing income to individuals in a rural community.

## Meaningful Partnerships that Breed Success

Many of the competition's winners report the formation of partnerships that have helped grow their businesses. For example, the Kanektok River Adventure project in Quinhagak partnered with four archaeologists from the University of Aberdeen, another from Bryn Mawr College, and another from the Association of Village Council President (AVCP), the regional nonprofit association in Bethel. This collaboration has collectively

discovered between 2,000 and 3,000 artifacts that are now being preserved.

The Community Cold Storage reportedly partnered with the Alaska Fisheries Development, the University of Alaska, Fairbanks, the City of Cordova, Kitchen Project, Copper River Watershed Project, University of Alaska Marine Advisory Program, Alaska Fisheries Development

Foundation, the Native Village of Eyak, Indian Valley Meats and several potential developers. They estimate to spawn 50 or more cottage businesses.



## Public Relations that Promotes Winning Entrepreneurs

The *Alaska Marketplace* competition has made a concentrated effort to promote the competition and its winners to the multiple media outlets across Alaska. Although some of the winners have demonstrated their own public relations ability as well, the *Alaska Marketplace* has certainly helped create more visibility for winning entrepreneurs. Before, during and after each competition, the media has been notified and sent listings of finalists and winners. Many articles and news features have been generated about the winners by the *Alaska Marketplace* team, including many local and regional newspaper stories that showcase the winners from that particular region. Diana Burton (2007 winner) was featured in the 25<sup>th</sup> anniversary issue of *Rural Development News*, from the University of Alaska, Fairbanks. Bobbi Daniels, from Raven Frog Fibers, reports that, “the vote of confidence on the part of the *Alaska Marketplace* has opened doors for me.”

## **Lessons Learned For Future Competitions**

The Alaska Federation of Natives has learned a lot through its management of the past four *Alaska Marketplace* competitions. In addition to seeing what works well, we have also identified some challenges facing the *Alaska Marketplace* competition. Some of our most important lessons are listed below.

### **Technical Assistance is Very Beneficial**

AFN staff observations confirm the feedback we routinely receive from past winners: the technical assistance workshops and one-on-one coaching is greatly beneficial to the winners.

### **Business Planning & Budgeting Most Helpful**

The majority of winners report that they did not have an operational business prior to receiving the *Alaska Marketplace* award. As a result of receiving the award, many indicated that the development of a business plan and budget was the needed first step in their process of starting their business or implementing their idea.

### **Marketplace Funding Alone is Not Enough**

The funding amounts were typically not ample to fulfill all of the entrepreneur's goals/objectives for the business/idea. Winners either needed to scale back their projected plan or progress slower than they originally hoped, while working to secure additional resources.

### **Not All Applicants are Online**

Although the application was available online, it was imperative to disseminate information through direct mail and fax since many applicants do not have access to the internet and/or email.

### **Rural Alaska Business is Costly & Slow**

Many of the winners report that a major challenge for their business is the cost of supplies, most notably fuel and shipping costs. They also comment about the length of time they must wait for shipments of their basic inventory and supplies.

## Recommendations For Continued Success

### Expanding Technical Assistance

AFN believes that the *Alaska Marketplace* should continue providing technical assistance to the competition's finalists to help them prepare their required business/implementation plans/budgets. AFN also thinks that an expansion of technical assistance to all applicants would be valuable and that the assistance provided can be significantly improved if Government and University sponsored business entrepreneurship programs, including the small business centers, take on a greater share of the follow-up responsibilities and offer additional technical assistance to the winners.

### Promoting Knowledge Sharing

Ideally, we would like to see the *Alaska Marketplace* in a stronger position to coordinate and foster connections between competition winners with similar projects. This knowledge sharing is a key ingredient in helping entrepreneurs learn from each and other and grow their businesses. For example, tourism businesses in various parts of the state could collaborate with each other for assistance and to share lessons learned.

### Harnessing the Power of Partnerships

In the past, much of the *Alaska Marketplace* funding has been secured on a competition-by-competition basis. To maximize efficiency, AFN will seek to identify partners and secure funding earlier in the planning process. Multi-year commitments and planning will hold down costs and improve efficiency



In 2008, the Alaska Marketplace and the Denali Commission proudly accepted a National Association of Development Organizations (NADO) Innovation Award.



# Rural Alaska's Challenging Economy

Remote rural Alaska has struggled for decades with challenging economic barriers. A host of different initiatives have attempted to help rural Alaskans overcome these barriers so that they are not forced to abandon their villages and migrate into Alaska's urban areas. The Alaska Department of Labor estimates that from 2000 to 2006, the number of Alaska Natives dropped about 3% in Alaska's remote rural region.

Since 2006, the *Alaska Marketplace* completed four successful competitions, awarding \$1.8 million to 63 entrepreneurs, inspiring new innovations and stimulating Alaska's economy. Although it is difficult to quantify the impact of the *Alaska Marketplace* winners on their local economies, we know that the competition has created dozens of new jobs through its infusion of start-up money to innovative entrepreneurs with fresh ideas for new businesses and nonprofits that will stimulate economic activity in rural Alaska.

According to ISER's latest economic report on rural Alaska, one in eleven Alaska residents lives in remote areas of the state- or 60,500 in 2006. Nearly 80% of these remote rural residents are Alaska Natives, and they routinely combine subsistence activities with traditional wage jobs (*Understanding Alaska's Remote Rural Economy* By Scott Goldsmith, UA Research Summary No. 10, January 2008, Institute of Social and Economic Research, University of Alaska Anchorage). The vibrant subsistence economy in rural Alaska also mixes with an "informal economy" in which neighbors and families trade services and share goods, and this combination contributes substantial economic value that is not reflected in traditional measurements of unemployment and wage income.

*Alaska Marketplace* has done an impressive job of helping to fill the rural economic gap by providing seed money for new wage jobs that are critical to the survival of families living in remote rural Alaska. As ISER explains, the U.S. Census Bureau reported in 2000 that most households in the remote rural region—85% of Alaska Native and 93% of non-Native—also had at least some income from wage work, and that wages made up most household income among both Alaska Native and non-Native households.



# Four Years of Success

The 2006 inaugural competition received more than 170 concept papers from across Alaska, including the remote villages of Savoonga on St. Lawrence Island and the regional hubs of Nome, Bethel, Dillingham and Cordova. 43 finalists competed in the ConocoPhillips Atrium for the award money by pitching their ideas to judges who represented a broad cross-section of professions. On April 7, 2006, 22 winning entrepreneurs shared in an award pool that totaled \$500,000. The awards ranged in size from \$8,000 to \$50,000 per entry.

Building on the phenomenal success of the first competition, the *Alaska Marketplace* launched its second year competition in May 2007. A total of 306 eligible Business Idea Applications flooded in from across the state, and assessors selected 61 finalists to advance to the final judging phase of the competition. During the 2007 AFN Convention in October, 21 finalists competed for a share of the \$700,000 pot, with individual awards ranging in amounts from \$15,000 to \$60,000.

The third competition was announced on July 7, 2008, and a total of 136 eligible Business Idea Applications came in from across the state. 42 finalists competed in the ConocoPhillips Atrium during the Alaska Federation of atives Convention. Eleven winners were chosen, with awards ranging from \$9,315 for ***Tundra Woodworks*** in Chevak to \$46,575 to ***A Cut Above Quilting*** in Bethel.



The fourth competition drew 101 applications from across Alaska. 22 finalists presented their

AFN President Julie Kitka presents an *Alaska Marketplace III* award

Business and Innovative Ideas to judges in the ConocoPhillips Atrium on May 5, 2009. Nine awardees shared \$300,000, with awards ranging in size from \$10,650 for ***Wolf Pack Industries*** in Unalakleet, to \$50,000 for ***Kuskokwim River Fisheries Micro-Fish Processing Plant*** in Bethel.

## Snapshot in Numbers: Who Is Applying?

### 1<sup>st</sup> Competition:

164 eligible applications  
 Female: 47%  
 Male: 53%  
 Native: 68%  
 Non-Native: 32%  
 Rural: 59%  
 Urban: 41%

### 2<sup>nd</sup> Competition:

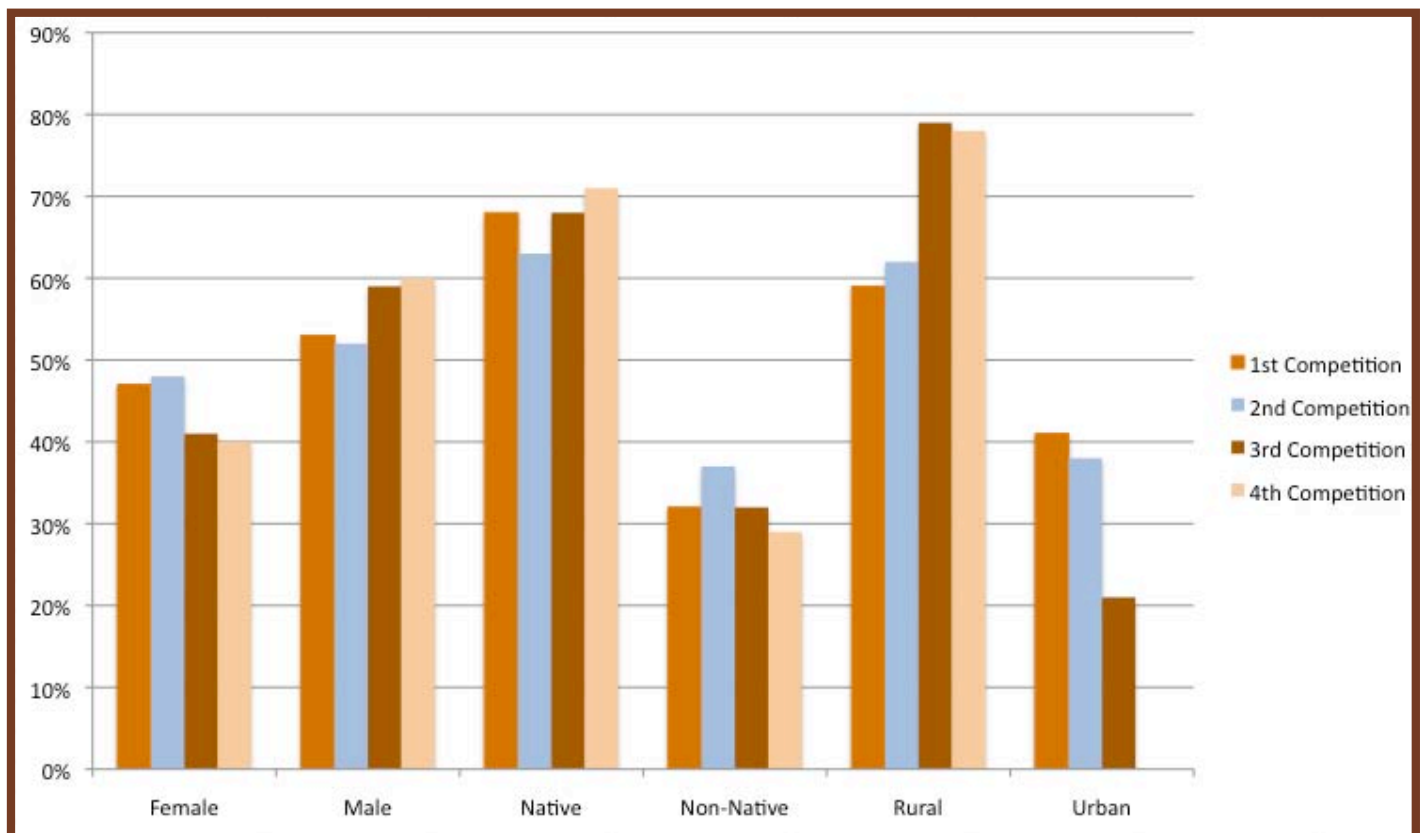
267 eligible applications  
 Female: 48%  
 Male: 52%  
 Native: 63%  
 Non-Native: 37%  
 Rural: 62%  
 Urban: 38%

### 3<sup>rd</sup> Competition:

136 eligible applications  
 Female: 41%  
 Male: 59%  
 Native: 68%  
 Non-Native: 32%  
 Rural: 79%  
 Urban: 21%

### 4<sup>th</sup> Competition:

94 eligible applications  
 Business Ideas: 71  
 Not for profit: 23  
 Female: 40%  
 Male: 60%  
 Native: 71%  
 Non-Native: 29%  
 Rural: 78%  
 Urban: 22%



## Competition Partners

The *Alaska Marketplace* is a truly collaborative effort that relies on a broad range of partners and supporters from across the great state of Alaska and beyond in order to succeed.

Becoming a partner of the *Alaska Marketplace* means joining forces with the Alaska Federation of Natives and an array of supporters from the business and nonprofit sectors who are committed to making the vision of a prosperous and thriving rural Alaska a reality. It also means becoming a collaborator with innovative rural residents who hold the future of the state in their hands. A few key individuals have played special roles in the evolution of the competition:

- Veronica Slajer of the North Star Group was the project lead for the 2006 inaugural competition. Her leadership established a strong foundation for the following 3 competition years.
- Cynthia Casas shared her experience and expertise from the Development Marketplace in tailoring the competition for Alaska. Cynthia continues to work closely with the Judges during the competition.
- Linda Nickell, Business Director for the TDF (Telecommunications Development Fund) in Washington D.C. partnered with AFN and was instrumental in providing much needed technical expertise and guidance throughout the first 3 competitions.



**2007 Alaska Marketplace Team:** Shirley Moto, Linda Nickell, Rose Ellis, Victoria Barber, Trina Landlord, Cynthia Casas, Veronica Slajer



## Investing Partners

Investing Partners recognize innovation in rural Alaska by seeding an idea directly and/or by contributing to the overall pool of award money. The contributions of Investing Partners help to underwrite the winning concepts selected by a diverse panel of private and public sector experts.

BP, Denali Commission, ConocoPhillips have been *Alaska Marketplace's* strongest long-term supporters, but the following organizations (in chronological order of participation) have also invested in the *Alaska Marketplace* Competition: TDF, Alaska Manufacturing Extension Partnership, Alaska Growth Capital, Alaska Village Initiatives, University of Alaska, Fairbanks, Rasmuson Foundation, Alyeska Pipeline Service Company, Bristol Bay Native Corporation, Shell, Chugach Alaska Corporation, NCB, GCI, Wells Fargo, Doyon, North Star Group, NANA.



## Technical Advisors

Technical Advisors have expertise to offer rather than financial support. Technical Advisors help to guide and evaluate the myriad proposals and gain insight into the previously untapped potential of culturally based ideas that could change the current economic realities in rural Alaska.

This partnership offers a unique opportunity to combine the knowledge, network and resources of existing organizations with some of the most innovative minds in rural Alaska. As a coach or a mentor, these Advisors collaborate with grassroots entrepreneurs and share in the hands-on excitement of the *Alaska Marketplace*.

During the past four competition cycles, the *Alaska Marketplace* has partnered with over 20 agencies to offer finalists and winners workshops from a basic introduction to business planning techniques and tips, to defining a business product or service, start-up business challenges and considerations, competition criteria, market planning, management/staffing and training planning, financial accounting and planning, and presenting a business plan to the *Alaska Marketplace* judges and other investors.

We have also provided access to mentors to enhance the job performance of our entrepreneurs.

## Event Partners

Event Partners work with the *Alaska Marketplace* team to plan and coordinate the *Alaska Marketplace* Final Competition and Award Ceremony. Contributions in this area increase the impact of the *Alaska Marketplace* and enhance the experience of all participants by underwriting special aspects of the event and providing logistical support to the *Alaska Marketplace* team. ConocoPhillips has hosted three of the four *Alaska Marketplace* final event in Anchorage, providing invaluable event planning and materials support as well.



April 2006, October 2008 & May 2009 Competition Event Venue

## Local People with Local Solutions - Four Years of Winning Ideas

All of our winners were hand-selected for their innovative off-grid business ideas to benefit rural communities in Alaska. Each of their ideas demonstrates innovation, sustainability and profitability, revitalizing job creation, and exemplifies the strong cultural heritage of Native cultures in Alaska. With every successful *Alaska Marketplace* competition, we at AFN realize our goal of truly *Investing in Alaska's Best Ideas*.

Julie Kitka, AFN President stated "We believe for economic development to work in rural Alaska, the people affected must be involved in the process – we must engage real entrepreneurs to diversify our economic

development strategies and find solutions beyond the established channels. Each of the 63 *Alaska Marketplace* winners is an economic development specialist in his or her own right, contributing to the growth and development of his or her surrounding community".



Chickaloon Four-Season Greenhouse, *Alaska Marketplace* I Winner

## Cream of the Crop: Finalists & Winners

### Technical Assistance Seminars & Workshops

In 2006, the *Alaska Marketplace* team began coordinating "Knowledge Exchange Seminars" during the competition. These seminars brought together panels of successful Alaska entrepreneurs who shared advice and winning business strategies with competition finalists about their methods for successfully managing a small business in rural Alaska. The seminars also featured industry experts from the Small Business Administration, the Alaska Small Business Development Center, and the University of Alaska, Center for Economic Development.

Due to the enormous success of the initial training and ongoing interest from competition winners, AFN continued to schedule workshops offering technical assistance to *Alaska Marketplace* finalists to assist them in preparing their Business/Implementation Plans and Budgets. For three subsequent competitions, AFN held a series of two-hour workshops – 1½ hours of instruction followed by a 30-minute Question-and-Answer session. The workshops were held in Anchorage where finalists were able to participate either in-person or via a toll-free conference call number.



Judges & staff tally 2008 scores.

Workshops offered included:

- Presenting your Plan to Marketplace Judges & Others
- Rural Alaska Business - Start up Challenges & Considerations
- Plan Overview – Critical Considerations
- *Alaska Marketplace* Competition Criteria
- Market Planning
- Management/Staffing & Training Planning
- Financial/Accounting Planning

During the second and third competitions, the University of Alaska Fairbanks, Kuskokwim Campus provided one-on-one technical assistance to applicants from the Bethel region. Through an independent grant, applicants were provided travel expenses from outlying communities to Bethel, where a team of University staff and other experts provided one-on-one *Alaska Marketplace* application assistance. The UAF, Kuskokwim Campus then assisted individuals who had been selected as Finalists in preparing their business/implementation plans and budgets.



Finalists in the second competition each received a complimentary copy of Business Plan Pro Software, sponsored by Alaska InvestNet. This software included over 500 sample business plans from over 22 different business categories that ranged from automotive, travel and transportation to retail and manufacturing.

In addition to the workshops that were provided, all competition finalists were given a comprehensive listing of technical resources to take with them as they returned home to launch their enterprises.

*See Appendices G & H – Request for Technical Assistance Credit & Technical Assistance Questionnaire*

### ***Alaska Marketplace Monetary Awards***

Although there are many compelling benefits associated with being named an *Alaska Marketplace* winner, from press exposure to technical assistance, it is the cash funding that keeps applicants coming back year-after-year. The *Alaska Marketplace* competition has now distributed \$1.8 million dollars to 63 winners, with award amounts ranging from \$5,000 to \$60,000.



ArXotica, Inc. won in 2006 & 2007

All *Alaska Marketplace* finalists received a travel stipend to attend the final competition event, either in Anchorage or Fairbanks. Full award payments are made to the award winners immediately (within 1-2 weeks) following selection. For the second year winners, technical assistance credits were paid either via reimbursement to the award winner or directly to the vendor providing the technical expertise.

### **Peoples Choice Awards**

During each competition event, the general public is invited to cast a “People’s Choice” ballot for their favorite finalist. Winners are recognized during the formal award ceremony and receive a prize of \$1,000 for each category:

- Best Display
- Most Innovative
- Best Exemplifies Cultural and Traditional Values

# Alaska Marketplace: Origins & Evolution

*Alaska Marketplace* is an innovative ideas competition that encourages the development of viable and sustainable businesses and nonprofits by tapping into the creative passions, cultural knowledge and drive of Alaska residents. This initiative helps stimulate economic growth in rural Alaska by tapping into the deep cultural knowledge and skills of Alaska residents. Applicants' ideas are evaluated based on their level of innovation, sustainability and profitability, poverty reduction/job creation and cultural heritage. Funds are then awarded to the winners to develop and implement their business plans and nonprofit ideas.

The *Alaska Marketplace* was originally patterned after the World Bank's *Development Marketplace* and has been constantly evolving since 2006 to best suit the needs of rural Alaska (see Appendix F – *Harvard Business*

*Review article: "World Bank's Innovation Market"*). The updated competition themes and the 2008 expansion that invited applicants to submit their "Innovative Ideas" for establishing new nonprofit organizations have served to strengthen an already successful initiative.

We are in the planning stages for Year Five of *Alaska Marketplace* to be held in 2010. Deepening collaborative relationships with the Alaska Small Business Development Center, the University of Alaska's Center for Economic Development and other partners will enable us to continue providing technical support to previous year's winners and to a new crop of entrepreneurs who exemplify the can-do attitudes that we find in so many of Alaska's historic leaders and innovators.



**Carla Beam, BP, Arliss Sturgulewski, Chair of Judges, Dale Summerlin, ConocoPhillips, (Winner Francis Reich, Kuskokwim River Fisheries Micro Fish Processing Plant), Krag Johnsen, Denali Commission, Andy Teuber, AFN Board of Directors & President of Kodiak Area Native Association (KANA)**

## Competition Process

The *Alaska Marketplace* brings together visionaries, financiers, technical experts and entrepreneurs in an ideas competition that promotes new organizational concepts which employ innovative ways of delivering and selling products and services, creating jobs, increasing revenue, driving economic development and serving our communities in rural Alaska.

Innovators are invited to submit an *Innovative Idea Application* describing

their unique ideas for

creating jobs, stimulating village economies and bettering our communities. Proposals are evaluated by a group of private and public sector professionals based on the following evaluation criteria:

- 1) Cultural heritage
- 2) Economic stimulation/Job creation
- 3) Innovation
- 4) Sustainability/Profitability

The innovators with the most promising proposals become finalists and receive entrepreneurial training and business plan coaching to refine their concepts.

*Innovative Idea Application* forms are available online prior to each competition. Finalists are required to submit a detailed implementation plan for their project, then showcase their ideas at the *Alaska Marketplace* event. A world-class panel of experts who serve as judges granted award money to each of the innovators judged most likely to successfully turn their ideas into action.

The *Alaska Marketplace* was created to draw from, inspire and encourage the development of viable and sustainable businesses and organizations by tapping into the creative passions, cultural knowledge and enthusiastic drive of Alaska's residents.



See APPENDIX A: Sample Business Plan & Budget Form

## Competition Objectives

Alaska residents possess strong cultural traditions, a rich history of innovation and a powerful capacity to adapt to changing conditions. The *Alaska Marketplace* leverages these qualities to promote economic development by:

- Providing new opportunities for rural communities to generate income through the application of their own cultural knowledge to innovative money making ideas.
- Catalyzing local development to encourage communities to employ their diverse social, cultural and economic resources in innovative new ways.
- Promoting conservation and generating revenue from existing assets, that is, reviving village centers, conserving natural resources and generating sustainable tourism revenues.
- Strengthening social capital by providing marginalized groups a basis to pursue activities that enhance their creativity, capture positive energy and reflect cultural diversity and social inclusion.
- Diversifying strategies of human development and capacity-building to develop knowledge-based, dynamic societies.



An *Alaska Marketplace* IV Winner pitching to the judges.

*Alaska Marketplace* aims to catalyze rural economic development by supporting innovative new businesses, ideas and organizations that draw upon cultural customs – including the performing arts, crafts, tourism and heritage preservation, fishing and other regional activities.



## Competition Themes

The *Alaska Marketplace* is an initiative that recognizes, celebrates, and nurtures true grassroots innovators in becoming successful entrepreneurs who will help shape the future of Alaska as a great state with a thriving economy. Over the course of the past four *Alaska Marketplace* competitions, AFN asked participants to tailor their applications to two different, but related themes.

The first two *Alaska Marketplace* competitions shared the theme of **Culture and Development**, a broad theme that was meant to encompass the myriad different ways that Alaskans express culture.

Applicants were given the following examples of culture to clarify what sorts of proposals would fit within the broad theme of Culture and Development:

- **Arts & Crafts** – including contemporary & traditional carving, weaving, beading, sewing, painting & sculpture
- **Energy Innovation** – development of alternative energy sources in rural Alaska
- **Innovations, Inventions & Local Services** – that increase productivity
- **Inventions & Technology that Increase Productivity** – such as the kayak and Sled Coach
- **Land Use & Environmental Sustainability** – employment of the natural resources of the land as a way to produce a product to sell in the marketplace in a way that uses the “interest” of the land but not its “principal” to ensure sustainability. For example, a wood product company would manage forest growth to keep ahead of the pace of production so that the company can continue to prosper for generations to come.
- **Performing Arts** – including dance, music & storytelling
- **Tourism & Heritage Preservation** – tourist activities with a heritage theme

The third and fourth competitions centered on the theme “**Innovations for Thriving Communities**,” paying tribute to the dynamic world we all live in. This theme was intended to encompass the myriad different ways that Alaskans can and do find success in our ever-changing world.



Finalist Juliana Zacharof-Wagner of St. Paul.

The two most recent *Alaska Marketplace* competitions evolved to include the following subthemes, which gave applicants more concrete guidance as to how their ideas should be categorized for the competition:

- **Affordable Energy** - Innovative ways to implement affordable, renewable & alternative energy sources.
- **Practical Use of New Technology** - Practical use of new technology to create village enterprises, such as the use of cell phones or digital media.
- **Innovative Ideas to Reduce the Cost of Living** – This could include cooperatives or various sharing arrangements with practical results that can be replicated in other communities and possibly scaled up.
- **Investing in People** - Innovative ideas to encourage lifelong learning and enable people to thrive in a rapidly changing world, full of hope and optimism.
- **Rural Housing of the Future** - Incorporating energy efficiencies and new cost-effective designs in innovative ways in housing, which celebrate traditional cultures and promote community pride.



**Judge Bonnie Jo Savland**, Alyeska Pipeline Service Company, **with Finalist Barbara Ramos**, Bethel, *A Cut Above Quilting*

## Eligibility & Criteria

The *Alaska Marketplace* competition has been open to all residents of Alaska regardless of age.

**Participants are asked to submit only one Business Idea Application per year.**

- Applicants must be a resident of Alaska. Verification of residency: State of Alaska Driver's License, State of Alaska State I.D., Permanent Fund Dividend, Registered voter.
- Participants must certify that they have no judgments against them that would require surrendering all or a portion of the award to a third party.
- All projects must benefit rural Alaska. For the purposes of this competition, rural Alaska does not include Anchorage, Fairbanks, Juneau, Ketchikan, Palmer, Wasilla, Kenai, Soldotna and Homer. Residents from these communities may submit an Innovative Idea Application, but the applicant must demonstrate within their proposal how the project will benefit rural Alaska.
- Previous awardees were not eligible to apply in the third and fourth competition.

## Competition Criteria

All *Alaska Marketplace* applications have been judged based upon the following general criteria, in addition to their adherence to the specific competition theme that year:

1. **Cultural Heritage** – all entries must exemplify the traditions and practices of Alaska Native cultures in rural Alaska.

2. **Benefit to Rural Alaska Communities** – all entries are required to address ONE of the following, depending on their organizational structure:

- a. **Business Idea** - Economic Stimulation/Job Creation - Innovative Ideas must

contribute to economic stimulation and job creation in the targeted community.

- b. **Not-For-Profit Idea** - Innovative Not-For-Profit Ideas must show how the community or social structure will benefit by the proposed innovation and how the idea can be replicated and/or applied to other communities.

3. **Innovation** – all entries must present unconventional approaches to the theme of the competition. Applicants seeking to expand upon existing initiatives are eligible, provided that they exhibit new creative elements in design or implementation that are not found in the original initiatives.
4. **Sustainability/Profitability** – all entries must demonstrate the potential for continued operation and they must benefit the targeted community beyond the period of the award. Business Ideas (only) must show how they will be profitable beyond the period of the award.



Finalist Eva Sheldon-Mandregan, Kobuk with Judge Carol Daniel

## All Alaska Marketplace Awardees are required to agree to the following:

- Applicants must agree to participate in evaluation activities and to receive mentoring and/or technical assistance during the award year.
- Award winners must fill out the appropriate federal forms that are provided.
- Award funds are not transferable to another individual or party.
- Winners must report their award to the Internal Revenue Service as taxable income.

## The Assessors & Their Process - *The First Cut*

The *Alaska Marketplace* Assessors are central to the ongoing success of this competition. Following the final submission deadline, a large group of Assessors meets to review and evaluate the hundreds of innovative ideas that were submitted by applicants from across Alaska. The Assessors select the final few who will move on to present their ideas at the competition event. The 140 *Alaska Marketplace* Assessors who participated in the last 4 competitions came from diverse backgrounds and experience, including for-profit businesses, nonprofit organizations, government administration, banking, financial investment and the legal profession.



Each group of Assessors is assigned a category of applications (some groups review multiple categories), including:

- Energy & Technology
- Environment & Land Use
- Arts & Crafts – General Heritage
- Heritage Tourism

The Assessors are then asked to assign scores based on the standardized competition criteria:

- Cultural heritage
- Economic stimulation/Job creation
- Innovation
- Sustainability/Profitability

Once all scores are tabulated, the highest scored applications are selected from each category, and those applicants are invited to move on to the final phase of the competition.

*See APPENDIX B: Full-sized Sample Assessors' Score Sheet*



## The Judges & Their Process - *Granting Seed Money to Winning Ideas*

Over the past four competitions, 85 Judges from a broad array of backgrounds have participated in the final selection of *Alaska Marketplace* award winners. Once the Assessors select the competition finalists, each finalist is required to complete a Business/Implementation Plan and Budget. The judges will evaluate these materials along with the in-person presentation at the final competition event.

Prior to the competition event, the Judges are divided into teams based on their specific areas of expertise, and they are given Judges' Guidelines and a Scoresheet. The Judges are then provided with the finalists' completed plans and budgets, and asked to score the plans and budgets according to the established competition criteria:

- Cultural Heritage
- Benefit to Rural Alaska
- Innovative
- Sustainable
- Budget: too low, appropriate, too high



*Alaska Marketplace IV Judges*

On the day of the competition, judges participate in an orientation in which they are provided with a secondary score sheet and final instructions. They then proceed in small groups to the “Marketplace,” where they meet each of their assigned finalists in a tightly structured presentation process. Finalists offer a 5-minute pitch to the judges, with a 5-minute question and answer session to follow. The judges then assign a second set of scores based on the finalists’ verbal pitches and project displays. Before making their final award decisions, the judges then discuss the projects and their scores in small groups, finally reaching consensus as to which projects they want to fund and at what levels.

[illegible]

**See APPENDIX C: Full-sized Sample Judges Score Sheet**

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# Feedback & Follow-Up

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## Winners' Status Reports & Feedback

The following are project summaries and status updates from a few representative winners. See Appendix D for summaries of all 63 winning projects and status updates where available.

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### *Alaska Marketplace I*

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#### **Chevak Bird & Cultural Tours**

**Award Amount:** \$25,000 & \$1,000 *People's Choice Award*

**Project Representative:** Ulric J. Ulroan, Chevak

#### **Original Project Summary & Goals:**

Kashunamiut, or what is today called Chevak, is 135 miles and a 55-minute flight northwest of Bethel. The snowfall averages 60 inches per year and freeze-up occurs in October, with break-up in June. The population is just under 1,000, slightly less than our sister village of Hooper Bay. Chevak is 10 miles inland from Hooper Bay and 17 miles from the Bering Sea coast. With a maritime climate, Chevak temperatures range from 25 below zero in the winter to 79 in the summer. In collaboration with experienced guide Karla Hart of the Department of Fish and Game and *Victor Emmanuel Nature Tours*, the *Chevak Bird & Culture Tours* plans to establish an eco-tourism business in a waterfowl nesting region near Chevak in the summer of 2007. We hope that this initial program will serve as a gateway for other forms of eco-friendly economic development and help improve the quality of life in Chevak.

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#### **Updated Status: September 2009**

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Ulric established *Chevak Alaska Bird Tours* immediately following the 2006 *Alaska Marketplace Competition*. They classify themselves as "the habitat for the Spectacle Eider." *Chevak Alaska Bird Tours* offers two-day packages, for habitat and cultural sightseeing. Clients are picked up from the local airport, and may stay in the local school (with showers, a kitchen, and running water) or they can stay in camp.

In the summer of 2008, they had 15 clients. They have hosted 50 clients so far in 2009, and they already have 30 clients from all over the world booked for the summer of 2010. *Chevak Alaska Bird Tours* utilizes the web for the majority of their marketing efforts. They are currently in the process of revising their web site and setting up their own blog.

*Chevak Alaska Bird Tours* employs four local people and arranges for local artists to set up booths to sell their arts and crafts to clients as well.

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## *Alaska Marketplace I*

### **Development of Alternative Renewable Energy Models**

**Award Amount:** \$20,000

**Project Representative:** Charles Parker, Anchorage (Statewide Project)

#### **Original Project Summary & Goals:**

Alaska Village Initiatives (AVI) is seeking seed funding to determine the feasibility of establishing local biomass feedstock production (primarily wood chips) on a sustainable basis. With this information AVI can then develop and implement the appropriate business model. If justified by the potential market, AVI can evaluate the cost effectiveness of building manufacturing facilities or developing a business as a distributor of the technology. By evaluating the local management structures, AVI will establish whether there is a sufficient need to also develop a feedstock production aspect that would either directly employ local suppliers or provide consulting services to local entrepreneurs or village corporations. In order to accomplish this, AVI will conduct five feasibility studies and develop business models for harvesting and utilizing local biomass for heat and electricity production in rural Alaska Villages. Business models will include a comparative analysis type of business structure, biomass technology types and costs, and forest/biomass management methods and costs.

“Alaska Village Initiatives Rural Biomass Energy program would not be active today without the key seed funding received from AFN’s *Alaska Marketplace* award.”  
-- Charles Parker

#### **Updated Status: September 2009**

Using the funds awarded, AVI completed a key feasibility analysis and drafted a business model that not only creates local jobs, but also stabilizes and reduces energy costs while improving key wildlife habitat and reducing wildfire danger in Fort Yukon. The work completed with these funds helped them leverage over \$400,000 of planning and feasibility work in the area, and to engage local partners in the process.

The project is going strong and the partnership has secured \$3.1 million dollars in local, federal, and state implementation funds. They expect to begin harvesting and utilizing local forest resources in Fort Yukon in the summer 2010. The program continues to gain momentum as other communities in rural Alaska look to build more sustainable communities based on local biomass energy.



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## *Alaska Marketplace II*

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### **Sensible Heating for Alaskans**

**Award Amount: \$30,000**

**Project Representative: Ben Johnson, Petersburg, Southeast Region**

#### **Original Project Summary & Goals:**

The objective of *Sensible Heating for Alaskans* is to create a company that can reuse burnable waste items such as wood waste and cardboard by pressing the processed components into briquettes that can then be sold as an efficient, and clean burning heating fuel. The benefits to the local economy will be a cheaper, cleaner heating source and the elimination of the need to ship the waste off island as well as the creation of new employment.

#### **Technical Assistance Credit: \$10,000**

*Sensible Heating* utilized the technical assistance credit for a web site and web hosting and to create a logo for retail boxes and bags. In addition, assistance was used for establishing bookkeeping services.

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### **Status: September 2009**

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*Sensible Heating* is in operation and is set to expand this spring, moving into the production of other waste wood biomass products ranging from wood pellets for pellet stoves to alder food smoker disks.

Most of the original goals have been met with the exception of initial product release and employee share with Petersburg Indian Association. *Sensible Heating* found after a short time they would need to create a drying mechanism if we were going to begin full-time production. It had to be engineered and built, reengineered and built again, setting us back several months. As for sharing employees with PIA, once the briquetting plant was at capacity we needed full-time personnel devoted to the creating and packaging of the briquettes.

Working in partnership with PIA they are using energy formula grant funds to purchase a pellet mill, grinder, and dryer (pellets require far dryer wood than briquettes).

There is currently one full-time employee with a second full-time employee to be hired this spring for work on the expanded operation.

The biggest success so far has been an agreement with the Coast Guard. Unbeknownst to us when creating this business the Federal Government is required to heat/power their buildings with local renewable resources when available. Once the pellet mill portion of our operation is operational we will be charged with supplying heating fuel for the Coast Guard base and housing.

The overly optimistic view on drying wood set us back a lot. Ben reported, "we came close to shutting the project down before we finally found the answer."

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## ***Alaska Marketplace II***

### **Alaska Glacial Mud Company**

**Web Address:** [www.alaskaglacialmud.com](http://www.alaskaglacialmud.com)

**Award Amount:** \$16,000

**Project Representative:** Lauren Padawer, Cordova

#### **Original Project Summary & Goals:**

Alaska Glacial Mud Company (AGMC) will harvest a microfine glacial sediment on the Pacific Coast of Alaska and add value to the raw material by manufacturing a high quality 'Made in Alaska' skin care product line using traditional Alaskan botanicals. AGMC is committed to environmentally efficient methods of harvest and production, pure ingredients and local philanthropy. AGMC glacial skincare will stand out from the competition because of marketplace innovation, the purity of the ingredients, and healthy skin benefits. Customers will be attracted to this product because of its quality, sustainability, and its symbolism of the pure Alaska landscape. The product line will initially be marketed to souvenir/gift shops in Alaska, secondarily to day spas in Alaska, and thirdly to cosmetic manufacturers and spas outside of Alaska.



#### **Updated Status: September 2009**

*Alaska Glacial Mud Company* has been operating for 2 years and employs 1 full-time plus 1 part-time employee. They are continuing to grow their market base according to their original business plan in the sectors of natural products, spas & salons, Alaska gifts and skin care boutiques/apothecaries. The growth is not as exponential as hoped, perhaps due to current economic conditions, but AGMC is still making headway by exhibiting at tradeshows, word-of-mouth marketing and direct mail efforts.

Lauren reports that she finds the delicate balance of inventory costs with hugely expensive marketing efforts to be a challenge. She is exploring other avenues of market development such as exporters, distributors and sales brokers as alternatives to sourcing/managing her own independent retailer customers. Of course there are always obstacles. "You just have to plan ahead to be sure you're never forced to make a bad decision. Haste makes waste."

*Alaska Glacial Mud Company* qualified for grant funds under a USDA program called the Branded Program that will reimburse 50% of marketing costs associated with export market development including marketing materials, translation and tradeshows.

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## *Alaska Marketplace III*

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### **Cup'ik Dance Songs of the Tundra**

**Award Amount:** \$25,000

**Project Representative:** Dr. John F. Pingayak, Chevak

#### **Original Project Summary & Goals:**

The goal this project is to produce a video of two adult and two children's Eskimo dance numbers, composed by Dr. Pingayak with written lyrics in Cup'ik and English, performed in a traditional setting - tundra or qaygiq (meeting house). An explanation of the song and the meaning behind the dance in the song will be provided. We will include humor, short stories, and the traditional values of the Cup'ik people and teach students video production, script writing and planning. Lastly, we will produce high quality productions to encourage others to produce similar recordings.

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### **Status: September 2009**

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Cup'ik Dance Songs of the Tundra have ordered and received their equipment including two cameras, one Mac computer for editing, one seven video copier, and DVDs with extra chips for the cameras, and extra batteries. September 16, 2009 was the first segment of video shoots with cameras. They recorded video clips of the seven songs with dances. They will start editing shortly.

They have hired three students to dance and they have three cameras operating as they record the dance scenes. They will compensate three additional people, a Director named Joseph Gorski, a technical assistant named Laron Thomas and another technical assistant named Conor Ferguson. The dancers names are Reggie Tuluk, Feline Matchian, and Karla Agimuk. They plan to film an explanation of each song between each segment of dances. They will also design a DVD cover. They plan to complete the first volume of dances before the AFN Convention in Fall 2009, where they hope to sell copies of the first DVD.

Following production of this first video, they plan to produce a film for small children and increase the production with several additional volumes of songs written by John, as well as those written by his grandfather and other traditional numbers.

They are also currently working out the details of an agreement with the University of Alaska-Anchorage to produce videos about Cup'ik subsistence fishing.

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## *Alaska Marketplace III*

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**Kachemak Shellfish Mariculture Grower Cooperative** (Originally titled “From Shellfish Subsistence to Sustainable Farming”)

**Award Amount:** \$27,945

**Project Representative:** Marie Bader, Homer

### **Summary of Project & Goals:**

Shellfish farming in Alaska is greatly under-developed. Although Alaska has more coastline with nutrient-rich, cold, unpolluted, protected water than all the rest of the United States, Alaska ranks at the bottom for producing clams, mussels, and oysters. Any coastal village that has historically gathered clams and mussels could very

easily transitioned to cultivate the market of shellfish for the world's markets. Because shellfish mariculture in Alaska is a new industry, the *Kachemak Shellfish Mariculture Association (KSMA)* is working to change the face of mariculture in Alaska, but the process is multi-faceted and needs specific financial assistance to accomplish. *KSMA* is currently building a first-ever in Alaska Shellfish Facility to promote mariculture of shellfish in Alaska. This building will house processing, retail, education and training space.



**Shellfish Mariculture Grower Cooperative building in Homer**

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### **Status: September 2009**

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After sixteen years of planning, permitting and construction *Kachemak Shellfish Mariculture Grower Cooperative (KSMG)* celebrated the grand opening of its new building in Homer on June 9, 2009. The building is 4,200 square-feet, two-stories and includes a retail oyster shop and processing facility. The salt water well is expected to be installed by October 2009. The building will also have space for educational opportunities for the public to learn how to grow oysters.

The Co-Op has 14 oyster farmer members selling an estimated 2,000-4,000 dozen oysters a week from the facility. Currently oysters are primarily sold to local restaurants in Homer and the surrounding areas. The long-term goal is to market and sell the oysters to a direct market by-passing the distributor.

*KSMG* is working on forming partnerships with the Seldovia Village Tribe and nearby communities of Port Graham, Nanwalek to assist in oyster growing operations. A U.S. Department of Agriculture Economic Development Administration grant provided the major support for the \$1.5 million building.

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## *Alaska Marketplace IV*

### **Building Kobuk River Cabins and A Community**

**Award Amount:** \$37,550

**Project Representative:** Eva Sheldon-Mandregan, Anchorage/Kobuk

#### **Summary of Project & Goals:**

The goal of this project was to build cabins using alternative energy solutions along the Kobuk River. The winner planned to create jobs in her community by hiring local residents from the villages of Kobuk, Amber and Shungnak to build the cabins, and by hiring local tour guides for hunting, fishing, and sightseeing. Scroll down to view images of the Kobuk River Cabins campsite and learn about this winner's progress.

#### **Status: September 2009**

Since receiving their award money in June, *Kobuk River Cabins* has purchased all the tools, equipment, and materials needed to build their first cabin. They also purchased a large sawmill, which took six local men to transport.

They started construction of the cabin and campsite in July. With the award money, they were able to hire four laborers and two carpenters, creating six jobs in their local community. They had volunteers as well -- and plenty of

people stopping by the campsite to get a look at the sawmill and the progress being made. The sawmill was quite the talk of the area for a while, with local folks offering suggestions left and right.

Kobuk River Cabins had to wait on freight planes to get materials to Kobuk, which delayed their construction timeline. Even before finishing construction, Kobuk River Cabins hosted their first visitors this summer! The group stayed in Kobuk, and got a good sense of life in a small traditional village in the Arctic. They loved it and are planning to return for winter fishing and fall hunting. The visitors enjoyed the company of the Eva's father and were impressed by the effort being invested in the business and the benefits to the surrounding community.

Kobuk River Cabins' success in winning the *Alaska Marketplace* competition landed them in the NANA Hunter Shareholder Spotlight, Arctic Sounder, and RuralCAP Village Voices. The media attention provided a great opportunity to show people what they have to offer, and that persistence does pay off -- Kobuk River Cabins did not win the first time they entered the competition, but they learned from that experience, and won the second time around! They believe that the publicity also showed that normal, everyday people can make a difference if they apply themselves and take advantage of opportunities.

Kobuk River Cabins was exclusively funded by their *Alaska Marketplace* winnings, so the rising cost of air freight, material, and fuel has taken a toll on the business. With a few other unbudgeted items that came up, they found themselves unable to purchase the alternative energy equipment they had hoped for. But the good news is that they plan to learn from their experience and account for similar unbudgeted items in their next application for funding.



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## *Alaska Marketplace IV*

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### **Kanektok River Adventures (KRA)**

**Award Amount:** \$40,000 & People's Choice Award – Best Display Award \$1,000

**Project Representative:** Warren Jones, Quinhagak

#### **Summary of Project & Goals:**

KRA provides a full-service base camp for international archaeologists and offers a wide range of eco-tourism experiences for visitors to Western Alaska. The primary customers will be archaeology students in university programs, such as the University of Aberdeen in Scotland. Climate change, rising waters, and erosion are threatening to eradicate millennium of Yupik cultural history in the Yukon/Kuskokwim Delta, and this project will preserve and catalog the culture.

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#### **Status: September 2009**

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In the summer of 2009, between 2,000 and 3,000 artifacts, which is estimated to be the largest collection of prehistoric artifacts from the YK Delta, were found and rescued on the eroding shoreline of the Bering Sea several miles south of Quinhagak. The items found include artwork, weapons, carved dolls, toys, bentwood bowl pieces, a ground. The artifacts, are estimated to be between 300-1,000 years old, are being preserved and cataloged. The visiting archeologists worked with the elders "combining traditional and local knowledge and with western science".

Four archaeologists from the University of Aberdeen, one from Bryn Lawr College, Steve Street archaeologist from AVCP along with numerous local volunteers assisted in the project. Next summer, there will be additional digs with the above mentioned archaeologists and with additional assistance from students and professors from Japan.

Once KRA was awarded funding from the Alaska Marketplace Competition, the Native Village of Kwinhagak, Qanirtuuq, Inc. offered \$100,000 in funds for the project. Other partners included the University of Alaska Fairbanks, Marine Advisory Program and the UAF Department of Alaska Native and Rural Development and the Department of Archaeology at the University of Aberdeen in Scotland.

Warren indicated future plans is to apply for 501 ( c ) 3 and apply for additional grants with a dream to build a local museum once artifacts are preserved.

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## Judges' Feedback

AFN prepared a "Judge Evaluation Questionnaire," requesting feedback to the strengths and best practices, as well as the flaws and weaknesses of the *Alaska Marketplace* judging process. Of those that responded, a clear majority wanted follow-up information and status reports about the winning projects, as they were quite interested to know which projects had succeeded or failed.

"AFN is performing a huge service and, by driving the idea of good business in rural Alaska, the Marketplace competition makes for a strong foundation for thriving, successful village growth and indeed survival."

-- Mike Harper, Alaska Energy Authority, Judge, Oct. 2008 & May 2009

## Praise for *Alaska Marketplace*

Judges listed the emotional and technical support provided by the *Alaska Marketplace* competition as being a special strength of the program, bolstering the competitors' confidence by making each finalist "feel special" and capable of making their ideas real, regardless of their individual backgrounds. Judges' also appreciated the varied professional experience represented across the judging teams, assuring fair consideration of the competitors. Judges found the business plans and scoring parameters to be well defined and the scoresheets to be clear. Bringing the completed scoresheets to the in-person team meeting provided a sense of individual objectivity that was not yet influenced by other viewpoints, and judges enjoyed hearing others' input when the group reviewed the business plans. One judge commented that, "the show is an inspiration to many would-be rural entrepreneurs." (Barry Brickman, Judge 2008 & 2009). Judges' were also impressed that, even after four competitions, the *Alaska Marketplace* has not lost the "element of surprise" – due to the fact that anyone truly can win a competition for good ideas!



Alaska Marketplace II Judges

## Room for Improvement

The primary concern expressed by the judges had to do with questions about whether the competition has maintained its unique strengths, having possibly become another standard “program” in the aftermath of four consecutive competitions. Another judge commented about how the deliberation process may perhaps be unduly influenced by judges who are more articulate and determined to have their project funded, despite the objective merits of the proposals. One judge didn’t feel that there was a common understanding of what “cultural heritage” is, or what it looks like, so she felt it was difficult to have a common base for scoring the plans on that particular measure. Additionally, the judge stated that “many of the projects were entrepreneurial in nature and benefited families or individuals, but they did not always appear to “spread the wealth.” Another judge wrote about the need to get clearer about “what may be needed in a community versus what might become a viable business”. (Sarah Scanlan, RurAL CAP, Judge May 2009). Most judges commented on the importance of following up with winners, to track how successful the winners have been, and to gather important lessons learned from their experience.

“There is a serious need for follow up on successful entrants, to know which have succeeded or failed. ...To collect their lessons learned would be helpful to new group of entrants”

-- Arliss Sturgulewski, - 4-Time Alaska Marketplace Judge (Co-Chair of Judges, Oct. 2008 and Chair of Judges, May 2009)

See APPENDIX E: Judges Questionnaire

## Imitation is the Highest Form of Flattery

Since the *Alaska Marketplace* competition was started back in 2006, three related competitions have sprung up in Alaska. The fact that these competitions have been started, and have been successful, is a testament to the enthusiasm people feel for the *Alaska Marketplace* competition – and to Alaskans’ commitment to supporting economic and social development across our great state.

Alaska Growth Capital Announces  
**The North Slope Marketplace**  
a competition for ASRC Shareholders

**Win \$24,000  
to Start Your Business!**

ASRC shareholders are invited to compete in The North Slope Marketplace, a business idea competition for entrepreneurs who wish to compete for seed money to start a business based in one of the North Slope communities we serve. Shareholders will compete for several awards averaging \$24,000

**Your ideas can help promote  
new economic development on the North Slope!**

We're looking for village-based business ideas, and business ideas that have the potential to create job opportunities for people in rural areas. Businesses and individual shareholders may submit:

- Ideas for new business opportunity or
- Ideas for a business expansion

**Competition is open from February 10 — April 27, 2009.  
Awards will be announced in mid May.**

Applications will be evaluated by a group of independent judges. Only shareholders and shareholder-owned businesses based on the North Slope are eligible for this competition. Businesses based in Anchorage or Fairbanks are not eligible. For a complete set of rules and to download an application, go to the ASRC shareholder website at:

**iaminupiaq.com**

**Questions?** Contact **Jason Evans** at Alaska Growth Capital at 907-339-6760  
or **Selene Sanchez** at ASRC in Barrow at 1-800-770-2772 or 907-852-6833



# Appendix A

**Alaska Marketplace  
Phase II - Finalist  
Business and Budget Plan**

Implementation Plan & Budget Application due: April 10, 2009, COB 4:30 PM

**Project Title:**

**Proposal Number:**

**Title:**

**Amount Requested (in \$):**

**Contact Information**

Company Name:  
Name (Required)  
Title:  
Mailing Address  
City:  
State:  
Postal Code:

Telephone:  
Fax:  
Cell Phone:  
Email Address:

**Secondary Partner (Optional)**

Partner Role:

Company/Organizational Name:  
Name:  
Title:  
Mailing Address:  
City:  
State:  
Postal Code

Telephone:  
Cell phone:

Fax:  
email:

Alaska Federation of Natives – 1577 C Street, Suite 300, Anchorage, AK 99501

Alaska Marketplace – *Investing in Alaska's Best Ideas*  
alaskamarketplace.org

**Business Objectives:** (Max 500 words). What industry is your business in? Explain what you plan to sell or details of your idea.

**Competition Criteria:** (Four (4) Questions with a max. of 500 words each criteria)

*The following are the Competition Criteria each section must be answered or your plan will not be eligible for review by the judges.*

**1. Cultural Heritage – Your business idea must exemplify traditional values and practices of Alaska Native cultures in rural Alaska.** Also consider location & physical facilities – regional, local, specific location, description of existing or proposed facilities. **(Maximum 500 words)**

**2. Economic Stimulation/Job Creation – Your business idea must contribute towards economic stimulation and job creation in the targeted community.** Include tribal, local and/or regional benefits – revenues, employment, increased viability, preserving, controlling, or gaining access to local lands. Include any relation to local and regional Economic Development Strategies. **(Maximum 500 words)**

**3. Innovation – Your business idea must present non-conventional approaches to the theme/goal of the project.** Businesses seeking to expand existing businesses are eligible, provided that they explain new elements in design or implementation not found in the original initiatives. **(Maximum 500 words)**

**4. Sustainability/Profitability – Your business idea must show how your business can continue to operate and benefit the targeted community beyond the period of the award.** For expanding an existing business service, mention the status of current operations or highlight number of employees. **(Maximum 500 words)**

## Market Analysis (Maximum 500 words)

Consider the following elements before describing your analysis of the market:

- Market Description – describe who you will be selling or providing services to. How will you price your product? How will it be different from other products that offer the same value? Will you be selling locally only or in other cities (in Alaska or in the lower 48 or Internationally)
- Market Trends – What factors exist that increase the demand and/or help you sell your product? Is your product part of a trend, if so, please explain this trend.
- Competition – Are there other companies or organizations offering the same product? How big are they? Where are they located? Are they successful? How will you distinguish your product from other like-products in the market (price, quality, service?) Are there products that can substitute for your product (ex. to quench a thirst a person can buy lemonade instead of Coke).

## Organization and Management (Maximum 500 words)

- Form of Organization – Corporation, Partnership, Sole Proprietorship, Joint Venture – includes ownership, legal and financial implications.

\_\_\_\_\_ Indicate here how your business will be formed.

- Management Plan – requirements for pre-operational, construction, start-up, and final operations.

## Organizational Management & Staffing (Maximum 500 words)

- Tell us about your management and operational experience as they relate to your business.
- List employees necessary for operations, position, pay rates.
- Will the jobs created be full time, part-time, or seasonal.
- Training Plan – how employees will be trained if necessary.

## Project Action Plan & Implementation Strategies

Outline the schedule for how the business will be developed over a twelve month period. (Add additional rows for major steps, if needed)



*Action Plan and Activities Timeline:*

<b>Primary Activity:</b>	<b>Timeline (start &amp; end dates)</b>
1)	
2)	
3)	
4)	
5)	

## **Annual Financial Analysis – Consider the following when preparing your budget**

**The budget should reflect the amount requested from the Alaska Marketplace for a 1 (one) year time frame.**

Income – Project your income, identify type of sales/revenue, quantity, per unit sales and total.

- Project budget – necessary for funding. Requirements for pre-operational, construction, start-up, and operations.

### **A. Income – projected income/revenue**

Income Description	Quantity	Unit Sales(\$)	Total Sale/Revenue (\$)
		Total	

### **B. Startup Expenses (equipment, consultants, training, etc.)**

(startup costs are expenses you need to make as you prepare to open your business.)

Task or Expense Description	Quantity	Unit Cost (\$)	Total Cost (\$)
		Total	

### **C. Operating Expenses - Fixed (rent, loan payment, maintenance, utilities,**

etc.)

**(fixed costs are expenses you must pay every year, no matter how many products or services you sell.)**

Task or Expense Description	Quantity	Unit Cost (\$)	Total Cost (\$)
		Total	

#### **D. Operating Expenses - Variable (cost of food per customer, seasonal, etc.)**

(variable costs are the per product cost of production. One variable cost for a business making and selling syrup is the cost of produce one bottle or jar of syrup or for a bed and breakfast the cost of food per customer.)

Task or Expense Description	Quantity	Unit Cost (\$)	Total Cost (\$)
		Total	

#### **E. Personnel/Consultant Expenses –**

**(enter in the expected number of employee(s)/consultant(s) you plan to hire including yourself.)**

Employee/Consultant Title	Quantity	Unit Cost (\$)	Total Cost (\$)
		Total	

## Budget Totals

Total \$	Description
	A. The total of all Income/Revenue Projected (the Total Sales column).
	B. The total of all Startup Expenses - (the Total Cost column).
	C. The total of all Operating Expenses: Fixed - (the Total Cost column).
	D. The total of all Operating Expenses: Variable - (the Total Cost column).
	E. The total of all Personnel (Consultant) Expenses - (the Total Cost column)
	F. The total of all Expenses (the sum of lines B through E above).
	G. The total amount requested from Alaska Marketplace (subtract line G from line F). *
<p>* Note: Income/Revenue and Operating Expenses. Explain if your business total costs exceeds amount being requested. Provide brief explanation here: (Optional.)</p>	

## H. Other Funding. List Donors, and Partners – Use of Funds including In-Kind Contributions. i.e., equity, savings, grants, in-kind

\$ amount	Organization	Brief Explanation
	1.	
	2	
	3	



**For Official Use Only**

Proposal Number: \_\_\_\_\_

Winner: \_\_\_\_\_ Yes \_\_\_\_\_ No

Amount Awarded: \_\_\_\_\_

## Appendix B

[illegible]

## Appendix C

**Alaska Marketplace**  
Judges' Score Sheet  
Team 2

This score sheet is to aggregate the judge's scores. Submit your score sheet by (date), and then after you've heard the pitches.

Please enter the scores into your appropriate tab (below). Thank you.

Proposal No.	Project Name	Village	Each Criteria is Given Equal Weight				Total Score
			Cultural Heritage	Benefit to Rural Alaska	Innovative	Sustainable	
AM XXX							

**SCORING LEGEND**  
1 - 2 = Poor  
3 - 4 = Below Average  
**5 THIS SCORE CANNOT BE ASSIGNED**  
6 - 8 = Above Average  
9 - 10 Excellent

Budget			
Funding Amount	Too Low (X)	Appropriate (X)	Too High (X)

PLEASE EMAIL YOUR SCORE SHEET TO [nativefederation.org](mailto:nativefederation.org) OR BRING IT WITH YOU COMPLETED TO THE ORIENTATION.

Thank you for your participation!



# Appendix D

# Alaska Marketplace I ~ Winners

## Rural Alaska Small Parts & Repair Shop

**Awards Amount:**\$30,000

**Project Representative:** Hogarth Jon Kingeekuk, Jr., Savoonga

### Original Project Summary & Goals:

*Rural Alaska Small Parts & Repair Shop* will sell parts, mod kits and motor oil products. It will also provide repair services, specializing in basic repairs, tune-ups and maintenance work. We will offer annual tune-ups, using exhaust gas testers, diagnostic instruments, compression testing and other testing equipment.

We will provide workspace, along with tools for a rental fee, for those who would rather work on their own vehicles, with technical assistance available upon request. The shop will also sell protective gear (helmets, chest protectors, elbow pads, knee pads, other riding gear materials and clothing) by request.

We will host a job-training program for local youth. The students will gain hands-on experience with small engine repair, while learning on-the-job business skills in areas such as cashiering, merchandise stocking, janitorial work, reception, basic bookkeeping and accounting skills.

### Updated Status: September 2009

*Rural Alaska Small Parts & Repair Shop* continues to operate their business as scheduled. With the award money, they purchased a 10 ft. x 12 ft. heated shop. Prior to receiving the award, repairs were performed out of their own garage. They were also able to purchase office supplies, including a cash register. *Rural Alaska Small Parts & Repair Shop* provides the majority of their services to local residents, but has also executed a contract with the Federal Fish & Wildlife Department. Hogarth continues to be interested in learning more about management and is taking a Small Business course in Nome. Hogarth reports some of his biggest challenges are payroll expenses and the enormous cost of fuel.

## Chevak Bird & Cultural Tours

**Award Amount:**\$25,000 & \$1,000 People's Choice Award

**Project Representative:** Ulric J. Ulroan, Chevak

### Original Project Summary & Goals:

Kashunamiut, or what is today called Chevak, is 135 miles and a 55-minute flight northwest of Bethel. The snowfall averages 60 inches per year and freeze-up occurs in October, with break-up in June. The population is just under 1,000, slightly less than our sister village of Hooper Bay. Chevak is 10 miles inland from Hooper Bay and 17 miles from the Bering Sea coast. With a maritime climate, Chevak temperatures range from 25 below zero in the winter to 79 in the summer. In collaboration with experienced guide Karla Hart of the Department of Fish and Game and *Victor Emmanuel Nature Tours*, the *Chevak Bird & Culture Tours* plans to establish an eco-tourism business in a waterfowl nesting region near

Chevak in the summer of 2007. We hope that this initial program will serve as a gateway for other forms of eco-friendly economic development and help improve the quality of life in Chevak.

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### **Updated Status: September 2009**

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Ulric established *Chevak Alaska Bird Tours* immediately following the 2006 *Alaska Marketplace* Competition. They classify themselves as “the habitat for the Spectacle Eider.” *Chevak Alaska Bird Tours* offers two-day packages, for habitat and cultural sightseeing. Clients are picked up from the local airport, and may stay in the local school (with showers, a kitchen, and running water) or they can stay in camp.

In the summer of 2008, they had 15 clients. They have hosted 50 clients so far in 2009, and they already have 30 clients from all over the world booked for the summer of 2010. *Chevak Alaska Bird Tours* utilizes the web for the majority of their marketing efforts. They are currently in the process of revising their web site and setting up their own blog.

*Chevak Alaska Bird Tours* employs four local people and arranges for local artists to set up booths to sell their arts and crafts to clients as well.

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### **Chickaloon Four-Season Greenhouse**

**Web Address:** [www.chickaloon.org](http://www.chickaloon.org)

**Award Amount:** \$25,000

**Project Representative:** Jennifer Harrison, Chickaloon

#### **Original Project Summary& Goals:**

The Chickaloon Greenhouse will serve as a model four-season herb, vegetable, berry and flower production facility, powered by the wind and sun, and heated with sustainable harvested wood. The Greenhouse will operate nine months out of the year, producing a variety of crops for market. Each season will bring a different set of produce as well as a different marketing strategy. Elders within the community will assist in running the plant nursery while mentoring youth interns. As the Greenhouse business grows, we will also offer gardening services—such as community composting, garden design consultations, landscaping services, community classes specific to greenhouse growing and ecological building,

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### **Updated Status: September 2009**

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The greenhouse has now had plants growing in it for three years! It has not become the “profit-maker” that that the winner originally envisioned, but it is a valuable educational tool about “green” building and it is a positive volunteer project that brings together the community.

Jennifer recently completed a business plan that identified that they should have built a larger greenhouse, or made plans to grow outdoor gardens around the greenhouse in order to grow enough plants to be profitable. For them, this reinforced the importance of completing a solid business plan, before moving forward with a business project.

They do not currently have the funding to enlarge the building or the outdoor gardens, but they did receive funding from First Nations Development Institute in addition to their *Alaska Marketplace* award. They had a very positive experience being involved with the *Alaska Marketplace*.

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## **Manufacturing Health Products from Southeast Alaska Forests**

**Award Amount:** \$25,000

**Project Representative:** Ester Ashton, Wrangell

### **Original Project Summary& Goals:**

Manufacturing Health Products from Southeast Alaska Forests is a project of *Alaska Resource & Economic Development, Inc.* (ARED), a nonprofit organization that is launching the Tongass Health Products Initiative, to produce scientifically proven beneficial health food supplements.

In keeping with its mission of building healthy, sustainable economies, ARED is developing this project to maximize the benefits that local communities glean from the burgeoning Alaskan “neutraceutical” industry. Unless we take control, this healthcare industry’s entry into Alaska will fall into the well-paved model of hiring Alaskans as “berry pickers,” ensuring Alaska’s position at the bottom of the economic “totem pole.” ARED intends to shift this industry’s position in Alaska, promoting a locally based, healthy and sustainable new industry in Alaska’s regional economies.

ARED’s initial offerings will focus on wild blueberries. Blueberries have one of the highest rated oxygen radicalabsorbing capacities (ORAC) of any food in the world. Alaska wild blueberries contain a significantly higher ratingof ORAC than the high-bush variety of blueberries. To find the appropriate return-consumer, ARED will initially market products to the thousands of tourists visiting Alaska in the growing cruise ship industry.

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### **Updated Status: September 2009**

ARED, Inc. is in business and doing well. Of the two projects (Wild Salmon Recovery Technology and Blueberry Antioxidant Nutraceuticals) they submitted to the 2006 *Alaska Marketplace* competition, both were finalists and one (Blueberry Nutraceuticals) was selected as a winner. The Nutraceutical project has continued to advance, but still remains in the research phase, due to capital-intensive investment needs and long-term property lease issues (much of the available property is public or Tribal land).

The Wild Salmon Recovery Technology is in full production now and given its extreme innovative nature, is sole-sourced to local, state and federal agencies across the United States, soon to be international. Their technology is now considered to be the most advanced of its kind, eliminating chemical use in hatcheries and diminishing water use from millions of gallons to hundreds of gallons per quarter. The portability of the technology allows for community-based wild salmon recovery projects. Consequently, there are now several community-based wild salmon recovery projects ongoing in Alaska, specifically because of this technology.



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## *Alaska Marketplace I Continued*

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### **Alaska Educational Tours**

**Award Amount:** \$20,000

**Project Representative:** Jill Wheeler, Southcentral Alaska

#### **Original Project Summary & Goals:**

*Alaska Educational Tours* (AkEdTours) will offer high quality, customized, educational land tours to educators and special interest groups. The company will share Alaska's unique ecology, cultural heritage and history by immersing educators in rural communities, i.e. "Alaska - off the beaten path." AkEd clients will travel to rural communities in Southcentral Alaska where they will participate in daily activities with residents and attend workshops facilitated by Alaskan experts and artisans. Participating educators will also have the opportunity to register for a professional development course through the University of Alaska, Anchorage where credit will be earned for creating a teaching unit based on their experiences.

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#### **Updated Status: September 2009**

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*Alaska Educational Tours* established their business as an LLC, developed a website and purchased a vehicle for the Tour business. They successfully provided two tours, in 2008 and in early February 2009.

There was considerable interest and support for what the business had to offer, however the LLC partnership is not working out and will be dissolved. The remaining partner hopes that they will be able to successfully distribute the businesses assets and debts, and that the business will become a sole-proprietor.

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### **ArXotica, Inc.**

**Web Address:** [www.arxotica.com](http://www.arxotica.com)

**Award Amount:** \$20,000

**Project Representative:** Michelle (Macuar) Sparck, Bethel, Yukon/Kuskokwim Region

#### **Original Project Summary & Goals:**

Tundra botanicals (Nunataat) are time honored, trusted and tested elements from the vast wilderness of Southwest Alaska. Their scents, their color, their nutritional and healthful properties are unparalleled. Because Alaska's summers are so exaggerated, the midnight sun intensifies the production of sucrose and antioxidants. ArXotica will produce a range of Cosmetics & Toiletries (C&T) derived from the inherently organic flora of the sub-Arctic tundra. By necessity, ArXotica will control the production and distribution of its quality, high-end designer product line so as not to compete with Alaska Native Subsistence resources. Gathering remains a time consuming stoop-labor despite having been able to fuse technology with many traditional hunting and trapping techniques. It is also a noble, spiritual and nourishing practice for Alaska's ancient Eskimo culture. With success and financial stability, ArXotica envisions itself as an agent of change, focusing on the honoring of Elders, the empowerment of women, mentoring and nurturing children, and improving education and opportunities for Native people.

## Updated Status: September 2009

Immediately following the 2006 competition, ArXotica used the seed money, publicity and mentoring they received from the *Alaska Marketplace* to establish their supply chain – from gatherings from villages, to storage, to drying, and then to extraction.

They found that pairing traditional knowledge with costly ethnobotanical and laboratory analysis of tundra greens proved useful, the Oxygen Radical Absorbance Capacity (ORAC) results were far superior to many commercial and organic counterparts in the Cosmetics market. They sought out the best cosmetic chemist and manufacturing houses to look at the extracts and come up with formulations that adhered to their sustainable and socially conscious mission of producing a luxurious product line that would make their culture proud. Year 2 brought further success – see page 15 for further updates on this winners' success.

## Cultural Tradition Shown Through Quilting & Beading

**Awards Amount:** \$20,000

**Project Representative:** March Runner, Dillingham

### Original Project Summary & Goals:

*Western Dillingham Four Winds*, a quilting and beading craft enterprise, will provide instructions, supplies, production space and marketing for rural Alaska artisans. We will offer machine quilting capabilities to quilters in the Bristol Bay region who wish to ship their quilts out for finishing, with services provided at cost. Quilters wanting to complete their own quilts can do so by renting the quilting machine from Four Winds. In addition to service and equipment rental (including looms), *Four Winds* will provide instructions, designs for beading and crafts, and appropriate work-space at cost, and will sell supplies (i.e., threads, fabrics, patterns, beads) and equipment. Contracts for *Four Winds'* classes will be established through the Dillingham Middle School, University of Alaska, Fairbanks, Dillingham Campus as well as with JAKE's Place the alcohol/drug treatment centers and S.A.F.E. the women's shelter in Dillingham, Alaska.

## Updated Status: September 2009

*Four Winds* relocated the business to Galena, Alaska on June 1, 2006. March is teaching classes to a group of ladies on the weekends and is providing assistance/supplies for crafters in the community.

She has been working off and on with the mentor assigned to her on updating her business plan. Having moved to a larger location to accommodate the size of a long arm machine, she hopes to have paperwork in by the end of this year and have the machine barged to Galena in the spring of 2010.

Currently, the business also supplies materials for quilting and beading projects. March provides instructions and assistance as needed, and is looking forward to her busy season as people are purchasing supplies and asking for assistance in making holiday gifts.

## *Alaska Marketplace I Continued*

### **Development of Alternative Renewable Energy Models**

**Award Amount:** \$20,000

**Project Representative:** Charles Parker, Anchorage (Statewide Project)

#### **Original Project Summary & Goals:**

Alaska Village Initiatives (AVI) is seeking seed funding to determine the feasibility of establishing local biomass feedstock production (primarily wood chips) on a sustainable basis. With this information AVI can then develop and implement the appropriate business model. If justified by the potential market, AVI can evaluate the cost effectiveness of building manufacturing facilities or developing a business as a distributor of the technology. By evaluating the local management structures, AVI will establish whether there is a sufficient need to also develop a feedstock production aspect that would either directly employ local suppliers or provide consulting services to local entrepreneurs or village corporations. In order to accomplish this, AVI will conduct five feasibility studies and develop business models for harvesting and utilizing local biomass for heat and electricity production in rural Alaska Villages. Business models will include a comparative analysis type of business structure, biomass technology types and costs, and forest/biomass management methods and costs.

"Alaska Village Initiatives Rural Biomass Energy program would not be active today without the key seed funding received from AFN's *Alaska Marketplace* award." -- Charles Parker

#### **Updated Status: September 2009**

Using the funds awarded, AVI completed a key feasibility analysis and drafted a business model that not only creates local jobs, but also stabilizes and reduces energy costs while improving key wildlife habitat and reducing wildfire danger in Fort Yukon. The work completed with these funds helped them leverage over \$400,000 of planning and feasibility work in the area, and to engage local partners in the process.

The project is going strong and the partnership has secured \$3.1 million dollars in local, federal, and state implementation funds. They expect to begin harvesting and utilizing local forest resources in Fort Yukon in the summer 2010. The program continues to gain momentum as other communities in rural Alaska look to build more sustainable communities based on local biomass energy.

### **Alaska Glacial Mud Company**

**Web Address:** [www.alaskaglacialmud.com](http://www.alaskaglacialmud.com)

**Award Amount:** \$16,000

**Project Representative:** Lauren Padawer, Cordova

#### **Original Project Summary & Goals:**

Alaska Glacial Mud Company (AGMC) will harvest a micro fine glacial sediment on the Pacific Coast of Alaska and add value to the raw material by manufacturing a high quality 'Made in Alaska' skin care product line using traditional Alaskan botanicals. AGMC is committed to environmentally efficient methods of harvest and production, pure ingredients and local philanthropy. AGMC glacial skincare will

stand out from the competition because of marketplace innovation, the purity of the ingredients, and healthy skin benefits. Customers will be attracted to this product because of its quality, sustainability, and its symbolism of the pure Alaska landscape. The product line will initially be marketed to souvenir/gift shops in Alaska, secondarily to day spas in Alaska, and thirdly to cosmetic manufacturers and spas outside of Alaska.

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### **Updated Status: September 2009**

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*Alaska Glacial Mud Company* has been operating for 2 years and employees 1 full-time plus 1 part-time employee. They are continuing to grow their market base according to their original business plan in the sectors of natural products, spas & salons, Alaska gifts and skin care boutiques/apothecaries. The growth is not as exponential as hoped, perhaps due to current economic conditions, but AGMC is still making headway by exhibiting at tradeshow, word-of-mouth marketing and direct mail efforts.

Lauren reports that she finds the delicate balance of inventory costs with hugely expensive marketing efforts to be a challenge. She is exploring other avenues of market development such as exporters, distributors and sales brokers as alternatives to sourcing/managing her own independent retailer customers. Of course there are always obstacles. "You just have to plan ahead to be sure you're never forced to make a bad decision. Haste makes waste."

*Alaska Glacial Mud Company* qualified for grant funds under a USDA program called the Branded Program that will reimburse 50% of marketing costs associated with export market development including marketing materials, translation and tradeshow.

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### **Oscar's Originals**

Web Address: [www.oscarsoriginals.com](http://www.oscarsoriginals.com)

**Award Amount:** \$20,000

**Project Representative:** John Oscar, Mekoryuk

#### **Original Project Summary & Goals:**

*Oscar's Originals* will establish Nunivak Arts & Crafts in the Cup'ik community of Mekoryuk. The local Nuniwarmiut Reindeer and Seafood Products (NRSP) business harvests about 1,000 reindeer per year and discards reindeer beards, hides, hoofs and even horns. NRSP makes limited horn sales to the Asian market, but has not invested in other revenue potential. The Nunivak Arts and Crafts would use NRSP's excess reindeer products to expand the type and quality of arts and crafts sold by *Oscar's Originals*, creating new product descriptions from reindeer products, as well as maintaining traditional art forms (i.e. masks, dance fans, snow goggles, and hunting tools).

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### **Updated Status: September 2009**

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*Oscar's Originals* established the new business as planned in 2006, and with the support of the community of Mekoryuk, the Native Village of Mekoryuk, NIMA Corporation, the City of Mekoryuk, and Mr. and Mrs. Henry Jack, employed fourteen individuals during the busy seasons.

Since the recession began in 2008, Oscar has seen a reduction in both internet and direct person-to-person sales. In the attempt to continue the business, Oscar relocated in January 2009, and opened a fine art gallery in Bethel in partnership with the [Orutsararmiut Native Council](#) (ONC). However, he was forced to close its doors in July 2009. The business' website is still in operation, and continues to have periodic inquiries.

Oscar's business plan was successfully implemented from 2006 through part of 2008. *Oscar's* employed several employees including: 1-carpenter; 1-laborer; 2-Master Assistants; 1-Administrative Assistant; 5-Assistant Trainees; 1-Summer Youth Participant; and 3-Local Assistants.

Before the economic recession started impacting the business, Oscar purchased a large format printer to make his products smaller and more affordable. The cost of art supplies, frames and freight were still a factor, including high fuel costs.

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## **Thriller Alaska's Native Tours**

**Award Amount:**\$20,000

**Project Representative:** Axel and Kathleen Svenson, Metlakatla

### **Original Project Summary & Goals:**

*Thriller Alaska* is a combination of tourism, culture, and arts & crafts. Beginning in the summer of 2006, we will directly benefit 60 Native Alaskans through employment and sales, and will indirectly benefit hundreds more by delivering 6,000 tourists on scheduled runs to Metlakatla, the only Indian Reserve in Alaska. Currently only floatplanes and a ferry serve Metlakatla, however, their schedules and capacity are not the most convenient for tourists. The Thriller Alaska, the only offshore race boat on the West Coast, can bring 80 visitors to Metlakatla per day, making the 16-mile run in a jawdropping 18 minutes. In Metlakatla, visitors will enjoy traditional Native dancing in the Long House, followed by a snack of local delicacies. They will then walk to the Artists' Pavilion to watch local artists creating art, including carving and jewelry making.

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### **Updated Status: September 2009**

*Thriller Alaska* operated successfully primarily between Metlakatla and Ketchikan in 2005, 2006 and 2007. *Thriller Alaska* moved the operation to Maui, Hawaii in 2008.

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## **Alaskan Sport's Sleds**

**Award Amount:**\$ 8,000

**Project Representative:** DuWayne Johnson, Dillingham

### **Original Project Summary & Goals:**

*Alaska Sports Sleds* are winter season sleds used for recreation and utility. The sleds will be available in three lengths to accommodate various age, height and weight ranges. The sled lengths will start with a four-foot runner that will target ages 3 to 6 years old. A five-foot runner will cater to ages 7 to 10, and the six-foot runner will target 11 to 16 year olds. These sleds will be shipped fully assembled and they will include a toe bar that will hook up to a snow machine and information on how to harness to the family



dog. The sleds can be used for towing groceries, camping gear, and firewood. The business will be web-based, and will advertise in local newspapers and by word of mouth in order to promote the sled as the ideal winter sports equipment to get kids out doors.

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### **Updated Status: September 2009**

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Following the Competition, *Alaskan Sport Sleds* created a web-site as originally outlined in their business plan. There was a significant increase in the number of orders for the sleds. DuWayne was the primary builder of the sleds and had assistance from another individual. Due to health issues, orders for the sleds are currently on hold. DuWayne's wife and daughter are working on pursuing the business.

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### **Caribou-Adventures**

**Award Amount:** \$30,000

**Project Representative:** Agnes Hailstone, Deering

#### **Original Project Summary & Goals:**

*Caribou-Adventures* will offer guided wildlife/eco-tours, subsistence hunting/fishing/gathering observations, arts and crafts manufacturing, river/lagoon/ocean kayaking and custom tours. In the winter, the company will be based out of the Native Village of Deering. It plans to offer guided western Arctic caribou herd tours, wildlife observations, trap line/ice fishing participation and observation, camp tours, village to village tours, and custom touring.

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### **Delta Junction Biodiesel Pilot Plant**

**Award Amount:** \$20,000

**Project Representative:** Robert Kocsis, Delta Junction

#### **Original Project Summary & Goals:**

*Delta Junction Biodiesel Pilot Plant* will assemble and test a pilot biodiesel manufacturing plant in Delta Junction. This business will physically extract oil from canola seed grown in Delta Junction and other farming areas. The oil will be used for human consumption. The remaining "presscake" will serve as a high quality animal feed supplement, and any remaining product will be converted into biodiesel as a substitute for petroleum diesel oil.

Presscake is a co-product of the oil manufacturing process. It is a highly nutritional animal feed supplement that is used in the dairy, beef, and pork agricultural industries as well as for chickens, horses, rabbits and other alternative livestock enterprises. Sales of the feed supplement will offset the purchase price of unprocessed canola from area farmers. All of the products of this pilot plant are currently in use statewide, and demand is evident. The manufacturing process is well known, but the machinery needs to be purchased and set up in a facility to produce canola seed oil for the Alaskan market.

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## ***Alaska Marketplace I Continued***

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### **Noatak Natural Products and Organic Farming Cooperative**

**Award Amount:** \$22,000

**Project Representative:** Chris O'Neill, Noatak

#### **Original Project Summary & Goals:**

Lack of jobs and high import prices have combined to make organic vegetables completely unavailable for residents of the Native Village of Noatak. Residents have recently completed a two-year project to establish what varieties of vegetables would grow in Noatak, with very favorable results. Based on the data, the Native Village of Noatak has made available five acres for lease for the establishment of a "Pick-your-own" organic vegetable farm, a cut-flower business, and a strawberry farm.

We would like to establish a cooperative that will be responsible for maintaining equipment, marketing value-added products for members, facilitating education with the community youth 4-H club, and serving as a model for a region-wide education project. The cooperative will be supported by a percentage of income from each member and run by a board consisting of all members, with an elected president to handle operations. In addition to offering fresh organic cut-flowers, vegetables and strawberries, farmers will offer value added products such as dried flower arrangements, kim chi, berry jam, and frozen vegetables.

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### **Han Athabascan Grocery & Native Arts Store**

**Award Amount:** \$12,000

**Project Representative:** Joanne Beck, Eagle

#### **Original Project Summary & Goals:**

*Han Athabascan Grocery & Native Arts Store* is a project to establish a year-round grocery store that will provide for over 200 community members. The cost of freight will be reduced in the summer by hauling supplies over the Taylor Highway, a road that is officially open from April 15-October 15. During winter months, Evert's Air will bring mail and freight. In addition to groceries, the store will feature Native arts and crafts during the summer months.

When the road is "open," an estimated 12,000 tourists visit Eagle Village. The village has not had an opportunity to tap into that resource due to lack of revenue. It hasn't advertised for tourists to come into the village because it doesn't yet have anything to offer. When the store opens, advertisements will be placed in the local monthly newsletter and posted on bulletin boards. Store information will be conveyed to Holland America. Currently, the tourists stop at the only store in Eagle after they visit the museum. All businesses in Eagle are located in the city, which is three miles away from Eagle Village. The only business in the village is the landfill, which does not make a profit. The village store will provide jobs for tribal members. Within the first year of operation the store will become independent and self-sufficient.

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## ***Alaska Marketplace I Continued***

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### **Togiak Cultural Tourism Development**

**Award Amount:** \$20,000

**Project Representative:** Paul Markoff, Togiak

#### **Original Project Summary & Goals:**

The company goal is to grow as one of the economic leaders within the village by sharing and contributing knowledge and experiences as it proceeds with sustainable cultural development activities. The Togiak culture is valued as a non-depleting resource within the natural resources of the land. Togiak Outfitters' design and intention is that all can benefit directly, and find personal value in the Togiak area, a land of many mysteries to be discovered through its people. Togiak Outfitters offers knowledge based cultural tourism opportunities and consultation. Services provided are "custom" to client needs. An outfitter in the wilds and isolation of Alaska provides not only the equipment for the adventure, but the resources and ideas for the direction of the client's adventure. Togiak Outfitters is equipped, knowledgeable and experienced. Togiak Outfitters will let customers know about some of the opportunities and resources that are available and help them put their packages together.

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### **Artist Development in the Bering Strait Region**

**Award Amount:** \$10,000

**Project Representative:** Mary Jane Litchard, Nome,

#### **Original Project Summary & Goals:**

Artist Development in the Bering Strait Region Arctic Nome BSIC will be a viable avenue for economic development in the Bering Strait Region. This region is home to a large population of renowned indigenous artists, all of whom are potential marketers. The success of the BSIC relies on the development of its membership drive, and the ability to purchase and market works of authentic art. BSIC will maximize the retail marketing of traditional products while furthering the Bering Strait region's art and culture and the use of natural traditional resources. For the first year, the goal of the BSIC will be to attend five conferences to help increase membership, and to sell authentic Alaska Native arts and crafts. BSIC will promote the cooperative through brochures, flyers, and newspapers to help gain awareness from prospective artisans. BSIC, over time, will develop documents detailing Western Alaskan regional artist lifestyles, art work, family and communities.

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## ***Alaska Marketplace I Continued***

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### **Wild Medicinal Plants of Nuiqsut**

**Award Amount:** \$10,000

**Project Representative:** David Smith, Nuiqsut, Arctic

#### **Original Project Summary & Goals:**

A wild medicinal plant grows all over the City of Nuiqsut in the area both near the community and along most of the permanent gravel roads. The plant has been identified as *Artemisia borealis*. It grows for about 96 days annually in almost total direct sunlight. Several scientists have said it can be of great value in cancer treatments. Coordinating with Alaska Green Gold, several Chinese scientists are very interested in further evaluation of this traditional Alaskan medicinal plant, commonly called "stinkweed." Nuiqsut youth would both cultivate this wild plant and collect it in volume from the wild this summer in order to determine its true value and its potential to provide a significant boost in local employment in Nuiqsut and other Native communities between Barrow and Bethel.

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### **St. George Island Institute**

**Award Amount:** \$50,000

**Project Representative:** Karin Holser, St. George

#### **Original Project Summary & Goals:**

The purpose of the *North-South St. George Island Institute* is to establish a cross-cultural learning center using traditional skills, local knowledge, existing resources, and on-going research, as well as leveraging St. George's unique location in the Pribilof Islands. The institute will be a center for research and learning for students of all ages from around Alaska and around the world. The institute will be housed in historical buildings located in immediate proximity to major scientific and tourist attractions - bird rookeries, seal rookeries, and tide pools. The long-term objectives of the institute are to retain and share traditional Aleut skills and knowledge (e.g. basket weaving, boat building, skin sewing), stimulate economic development through increased patronage of existing amenities such as the hotel, store, and coffee shops, develop a summer science/cross-cultural program for urban high school students, increase opportunities for local youth, and develop an undergraduate field research facility for Alaska's universities.

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## ***Alaska Marketplace I Continued***

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### **Unity Catering**

**Award Amount:** \$30,000

**Project Representative:** Barbie Baumgartner, North Pole

#### **Original Project Summary & Goals:**

*Unity Catering Services* was established as a business in 2004 to generate revenue for the Street Ministries/Ester Mission and Unity Compassion Center housing expenses, and to provide on-the-job-training and employment for the Center's residents, specializing in Alaska Native cuisine. Unity Compassion Center residents include locals and people from nearby villages who are looking for help rebuilding their lives. Unity Outreach strives to assist consumers or clients to become self-sufficient, thereby positively impacting workforce development efforts in their villages and communities.

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### **Interior Alaska Native Artists' Cooperative**

**Award Amount:** \$25,000

**Project Representative:** Dixie Alexander

#### **Original Project Summary & Goals:**

The *Interior Alaska Native Artists' Cooperative* (IANAC) will provide rural Interior Alaska and Fairbanks artists with a means to meet their common economic, social and cultural needs through a jointly owned and democratically controlled venture. Alaska Native artists will pay a membership fee and will self-administer the cooperative by serving on the board and through voting. The values of self-help, democracy, equality and solidarity will be emphasized. Business benefits may include reduced startup costs, lower overhead and minimized risk. The cooperative will establish an artist database to facilitate communication and encourage participation. Other objectives include:

1. Participation in a Fairbanks Community Marketplace operating in conjunction with the Farmers' Market where Native artisan space is available to different communities and/or the Summer Arts Market during Golden Days.
2. Collaboration with other arts organizations across the state.
3. Consistent marketing and advertising.
4. Business training or a mentor/protégé for members.
5. Higher quality artwork. A cooperative coordinator will be hired to research the best approach for the development, creation, and objectives of the cooperative.



# Alaska Marketplace II ~ Winners

## **ArXotica, Inc.**

**Web Address:** [www.arxotica.com](http://www.arxotica.com)

**Award Amount:** \$60,000

**Project Representative:** Michelle (Macuar) Sparck, Bethel, Yukon/Kuskokwim Region

### **Original Project Summary & Goals:**

After winning Year 1, *ArXotica* financed the harvesting, shipping, drying and extraction of their first generation of tundra materials and commissioned analysis of the tundra botanicals. The project objective for Year 2 is to finalize product formulation and launch in the luxury consumer market. In this next phase they will determine the product formula and private label contract manufacturing. *ArXotica* will also forecast the volume of plants and berries needed each year to produce for market. *ArXotica* has a 5-year strategy to hire gatherers and agents to build enough infrastructure within the region to avoid outsourcing manufacturers.

### **Technical Assistance Credit: \$10,000**

*ArXotica* utilized the technical assistance funds to consult with an ethnobotanical and biochemical consultant. Having a professional botanist lead their research and development will help market their potential tundra sources for cosmetic application. It was imperative to conduct product development testing to provide for adequate preservation of multi-dose sterile products for topical preparations. The cosmetic chemist function is to test the formula for FDA stability, application and shelf-life approval.

*"Just getting started, filling out the paperwork and maturing your business plan is a very important step in becoming a viable and fundable entity. What you get out of the Alaska Marketplace is more than a chance at seed-money, you have the support of the Alaska Federation of Natives, Native Corporations and the public. Use the mentoring and exposure you receive to keep going beyond the results of the competition. You have already demonstrated potential as a legitimate business, and if the Alaska Marketplace believes in you, you can go all the way."*

- Michelle (Macuar) Sparck

## **Status: September 2009**

With their second *Alaska Marketplace* winnings, *ArXotica* financed and processed the second-generation gatherings. Through the innovative and technologically superior drying and extraction processes, *ArXotica* yielded manufacturing levels of material once they passed the testing phase.

"To date, we have our high-end luxury skin care line formulated and we are ready to manufacture. Having achieved this product stability, we looked at other ways of utilizing most or all parts of our gatherings and have formulated a hotel toiletry line with a secondary extraction form and made a pitch to one of Alaska's premier 4-star hotels. A decision on the contract is still in the works, but Purchasing Directors would rather support an Alaska business, while offering something that no other competitor can."

*ArXotica* is also exploring refining techniques to allow the spent fibers from the extraction process to be used in some sort of consumptive product, either for dog food or for beverages.

*ArXotica* was going to hold off on producing their debut line due to the economy, until the Los Angeles Times published an article saying that: *Luxury skin-care products defy the economy*. This confirmed that a facial skin care regime is not part of the sacrifices high-end consumers make when the economy has turned for the worse.

*ArXotica* has lined up manufacturing investors and they plan to roll out a small production by Fall 2009. They have enough extract to produce about 8,000 units of moisturizer and serum, enough to make the product stand out and start a demand for next season's production.

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## **Cordova Community Cold Storage**

**Award Amount:** \$40,000

**Project Representative:** Dune Lankard, Cordova,

### **Original Project Summary & Goals:**

*Community Cold Storage* seeks to meet community needs for processing and storing subsistence foods. We will also teach locals, youngsters and outsiders about rural subsistence lifestyle and commercial fishing products. *Community Cold Storage* will produce educational materials including a tide book, canvas bags, labels and boxes to meet the needs of users as well as to educate. This project will result in a reproducible model for satellite cold storage in other communities, which we could sell and share high-quality traditional foods across geographic distances, reducing regional hunger and improving health and connection to culture.

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## **Status: September 2009**

*Community Cold Storage (CCS)* is negotiating on several sites and meeting with potential partners and investors. They are finalizing their business plans, architectural drawings and researching equipment and material needs. They have merged its *Community Cold Storage and Kitchen (CCS)* into a non-profit business partnership with the *Cordova Community Kitchen Project Fish Offal Plant*, where local seafood processors will be owners/members. CCS has created a for-profit *Copper River Wild Salmon Company (CRWSCO.)* where local fisherman can utilize the CCS facility to process, value-add, package, box and deliver wild seafood direct. CCS estimates they will spawn 50 or more cottage industry businesses locally.

CCS has partnered with the Alaska Fisheries Development, University of Alaska, Fairbanks, City of Cordova Kitchen Project, Copper River Watershed Project, University of Alaska Marine Advisory Program, Alaska Fisheries Development Foundation, Native Village of Eyak, Indian Valley Meats (in ANC) and several potential developers.

They are seeking the best options for grinding and emulsifying seafood waste (offal) and turning it into useable byproducts (i.e., organic fertilizer, fish oil, fish meal, bio-diesel, etc.), and to have a site that can incorporate tidal, wind, solar, hydro and bio-diesel energy technology into the plant facilities. They also plan to upgrade

the boat designs and equipment to process at-sea, increase the quality and shelf life of wild Copper River salmon, identify markets and start an advertising and marketing program.

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## **Alaska Glacial Mud Co.**

**Web Address:**[www.alaskaglacialmud.com](http://www.alaskaglacialmud.com)

**Award Amount:** \$40,000

**Project Representative:** Lauren Padawer, Cordova, Chugach Region

### **Original Project Summary & Goals:**

In Year 1, *Alaska Glacial Mud Co.* has successfully formulated Alaska glacial mud based skin care products and packaged the products for resale in exclusive spas, skin care boutiques and natural products stores in and outside of Alaska. Feedback from retailers, service providers and end consumers has been positive. In Year 2, the intent is to expand the product line, invest in harvesting equipment and develop a more aggressive marketing program. Since starting to fill wholesale and retail orders in March 2007, the sales have proven to generate a profitable business that promotes Alaskan heritage, supports the local and regional economy and advocates for a sustainable environment.

### **Technical Assistance Credit: \$10,000**

*Alaska Glacial Mud Co.* utilized the technical assistance funds for bookkeeping/accounting for the company. Additionally, Lauren contracted with a Spa Consulting company to assist with the development and packaging of the products (masques, scrubs, and hydrating glacial mists). Lauren also attended several trade shows in New York and Las Vegas to develop raw material and private label market sectors and develop spa market sectors.

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## **Status: September 2009**

*Alaska Glacial Mud Co.* has been operating for 2 years and employs 1 full-time, and 1 part-time employee. They are continuing to grow their market base according to their original business plan, targeting natural products, spas & salons, Alaska gifts and skin care boutiques/apothecaries sectors. The company's growth has not been as exponential as hoped, perhaps due to current economic conditions, but they are still making headway by exhibiting at tradeshow, engaging in word-of-mouth marketing and direct mail efforts.

In order to balance inventory costs with marketing efforts, Lauren is exploring other avenues of market development such as exporters, distributors and sales brokers rather than sourcing/managing her own independent retailer customers. Of course there are always obstacles. "You just have to plan ahead to be sure you're never forced to make a bad decision. Haste makes waste."

Alaska Glacial Mud Company qualified for grant funds under a USDA program called the Branded Program that will reimburse 50% of marketing costs associated with export market development including marketing materials, translation and tradeshow.

## *Alaska Marketplace II Continued*

### **Winter Taxi**

**Award Amount:** \$35,000

**Project Representative:** Walter "Sonney" Russell, Kotzebue

#### **Original Project Summary & Goals:**

*Winter Taxi Sledcoach*® will provide an inter-village shuttle service during the winter to eleven Northwest Arctic communities. *Winter Taxi* will use the Sledcoach®, a four person lightweight enclosed aerodynamic cabin mounted on shock absorbing runners. The heated and enclosed Sledcoach® is towed behind a snow machine with GPS navigation. Jobs generated will be dispatchers, drivers, mechanics and construction of the sleds in Kotzebue. Sales of the Sledcoach® could augment revenues for *Winter Taxi*. The long-term vision is to increase the winter transportation in Nome, Bethel, Unalakleet and Barrow.



**Status: September 2008**

The Sledcoach was built, refined, and is currently in the patent process. The Sledcoach was designed by Walter "Sonny" Russell who got this idea when he was a teenager in high school. "I traveled from Kotzebue to Noorvik and almost froze my legs, and I saw a lot of people freezing their feet". The Sledcoach is enclosed and heated, which is optimal to use for a variety of reasons including: transporting patients between the hospital hubs and surrounding villages during bad weather, when the temperature is below 40, when planes aren't able to fly, or during the night. With energy costs going up and air fares very costly, this sled can safely and easily transport people between villages during basketball season and during the winter. The Sledcoach was also used for search and rescue, which is an area Sonney would like to further market to. Sonny already has requests for his sleds from other regions in Alaska.

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## *Alaska Marketplace II Continued*

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### **Soft Gold Furs**

**Web Address:** [www.softgoldfurs.com](http://www.softgoldfurs.com)

**Award Amount:** \$35,000

**Project Representative:** S. Roger Alexander, Ward Cove

#### **Original Project Summary & Goals:**

*Soft Gold Furs* is a hunting, sewing, and marketing business of seal and sea otter fur. It seeks to hire 1-2 young people to teach hunting and fleshing skills; buy furs at current market price from village independent hunters; train and pay people to sew; buy fuel and food for hunting trips; hire processors of seal meat and blubber for sale, a new revenue source for its business; and outsource website marketing.

#### **Technical Assistance Credit: \$10,000**

The majority of the technical assistance funds were utilized for Internet training. Roger and Ellen attended a three-day conference for successful website tools and attracting customers. Following the conference, *Soft Gold Furs* contracted for the creation of their web site. *Soft Gold Furs* utilized the available technical assistance for a professional photographer to take photos for their web site, magazine ads and other promotion avenues. They also ordered business cards.

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### **Status: September 2009**

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*Soft Gold Furs* combines nature's finest fur using the finest quality workmanship with the finest customer service. They have a line of over a dozen ready-made seal and sea otter products. They have also increased their product line to include fine hats, mittens, gloves, muffs, scarves, purses and slippers made with sea otter and seal fur. In addition, they make beautiful wallets and purses out of sealskin. Roger is a State and Federally licensed bear and fur sealer and a sea otter tagger. Specialty orders can be taken to take furs and turn them into beautiful vests, capes, coats, or blankets.

In 2008, Roger finished getting the last of the fiber glassing done, electronics installed, and the mast put up. Roger also took the fur sewing machine to Hydaburg and spent 3 days teaching 5 people to sew fur using the machine. He provided fur scraps for them to practice with, and the thread and tools they needed. He went hunting out of Sea Otter Sound and ended up with 88 otters.

In addition, Roger and Ellen are making items to sell for dance practices, regalia construction, Haida Descendant Dancers and artist gatherings and have also participated in forums, group art projects and lectures.

One new product that is getting a rough start is a sea otter bow string silencer, a very thin strip of sea otter fur that can be tied on to the string of a bow. It is an ancient technique used by Native Americans to silence the twang of the string when an arrow is shot. The Fish and Wildlife have claimed the tiny strips are not "significantly altered" according to their definition. Roger and Ellen report they have a market for them already, and it could be a significant amount of income and a way to use up the mountain of scraps. They are challenging their assessment, which means letters, red tape, and time.



*Soft Gold Furs* is concerned about the economy but report their sales haven't slowed any from last year. Lastly, Roger and Ellen reported the concern that their costs are increasing but remain hopeful the internet coaching will help expand their market and connect us with people who aren't so adversely affected by the current trends.

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## **Raven Frog Fibers**

**Award Amount: \$35,000**

**Project Representative: Ms. Bobbi Daniels, Sitka, Southeast Region**

### **Original Project Summary & Goals:**

To teach under-employed women to spin yarn, supply them with spinning wheels and wool, and pay them on per/skein basis by *Raven Frog Fibers* of Sitka. Spinning yarn is a traditional southeast Alaska Native skill that has largely been lost. Raven Frog Fibers will supply the wheels and wool, and market the finished product. It will keep 10-12 spinners working at least 20 hours per week and the women can work out of their homes. A one-time investment is sufficient as the market for this product and the business infrastructure exists and benefits communities both economically and culturally for generations to come.

### **Technical Assistance Credit: \$10,000**

*Raven Frog Fibers* utilized the technical assistance credit for legal expenses for incorporation, drafting by-laws and articles of incorporation. In addition, resources were for the design and printing of business cards, brochures and print yarn cards. Services were also rendered for establishing an accounting system for inventory and production and for the installation of a commercial washing machine and sink.

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## **Status: March 2009**

Since receiving the Alaska Marketplace award, *Raven Frog Fibers* has grown in a scope and direction she didn't anticipate. Originally spinning and dyeing yarns was a hobby but as friends began buying the yarns she spun and dyed it began to grow. Offering the yarns for sale in a local arts and crafts association sale one summer exposed them to cruise ship passengers who purchased them while in Sitka. Alaska yarn shops began asking her to supply their shops and the business was born. She could not keep up with the demand for handspun yarn. Bobbi's goal in applying to the Alaska Marketplace was to get funding to allow her to purchase spinning wheels and teach people to spin yarn for her. They would earn an income out of their homes and Bobbi could fill the demand for the yarn to the shops in Alaska.

Bobbi discovered that the business had outgrown her facility where she was producing the yarn, and we moved to a bigger facility. As she supplied more handspun yarn and supply to more shops, Bobbi couldn't physically dye and ship it all herself so she hired an employee. The increased overhead costs of the larger facility and payroll could not be met by just supplying Alaska yarn shops. Contrary to the rest of the country, most of the yarn in Alaska sells in the summer, while yarn shops in the lower 48 are very slow all summer and enjoy their busy season all winter. Bobbi decided to actively pursue supplying shops in the lower 48 to round out our year and keep her steadily employed all year long.

The yarn has been very well received in the lower 48 and is now carried in select shops in Colorado, Utah, Ohio, Kentucky and Indiana. This coming September a knitting cruise will stop in Sitka and the company organizing the group ([www.craftcruises.com](http://www.craftcruises.com)) will be bringing the knitters to *Raven Frog* to see how the yarn is produced. That excursion and a nice write-up about *Raven Frog* appear on their website.

Bobbi underestimated the level of interest she would get in the spinning and actually ended up with more spinners than she had demand for yarn. That provided another opportunity and she designed three new types of handspun yarn that have been added to the rate card. She has focused on designing garments and writing patterns featuring the handspun yarns, as pattern support definitely increases yarn sales. Bobbi also encouraged the yarn shops to have completed models made out of the handspun as many knitters have not ever seen the “personality” that comes with using a handspun yarn in a piece.

Bobbi also underestimated the value of being an Alaska Marketplace award winner and putting unemployed/under-employed people to work in their homes and teaching them a marketable skill. Everyone benefits and there is huge potential to add more shops when she introduces the yarn line down south.

“The vote of confidence on the part of the Alaska Marketplace has opened doors for me. There are literally hundreds of cottage companies down south producing handspun yarns that are every bit as pretty as mine, many of them buy their blank yarns from the same suppliers. However, the *Raven Frog* story and the opportunity for the shops to also make a difference in the lives of the people spinning for me makes all the difference. Over 90% of the shops I have offered the line to have picked it up to carry.” Customers buying yarn in the shops also love that purchasing *Raven Frog* yarn really is making a difference in a real person’s life. Several shops have asked for point of purchase bio information to display in the shop.

Currently *Raven Frog* employs 2 full time and one part time employee, as well as 8 people who spin for the company. By May 1, they will launch a line of copyrighted, published patterns both in the shops and online. Three different independent designers are working on pieces using *Raven Frog* yarns and they will be adding their designs to the pattern line. This pattern line provides another source of income for the business, the designers and the knitters who make up the prototype pieces. It also increases the exposure and separates them qualitatively from the dozens of cottage yarn producers. A solid pattern line to support the yarn products establishes them as a serious, professional producer.

“Although I can’t definitively say how the business would have gone without the award, I know of a surety that receiving it has made an intense difference in the nature of the business, allowing it to grow and expand at a rate that would have taken many years otherwise, if it happened at all. I very much underestimated the value of being an award recipient. As I have travelled down south, shops and their customers are fascinated by the story.”

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## ***Alaska Marketplace II Continued***

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### **Kiita Adventures**

**Award Amount:** \$35,000

**Project Representative:** Jason Evans, Anchorage

#### **Original Project Summary & Goals:**

*Kiita Adventures* plans to promote Northwestern Alaska as a premiere tourism destination for fishing, hiking, camping, rafting and hunting by working with local guides and lodges to market their existing products and services; provide eco-tourism equipment; assist local entrepreneurs in developing a tourism business or expanding their current products and services; develop guided tours that focus on sharing our culture with clients that are tied to Alaska but have outside operations like Alaska Native Corporation SBA 8(a) firms in the lower 48.

#### **Technical Assistance Credit: \$10,000**

*Kiita Adventures* utilized the available technical assistance credit for accounting and payroll services. In addition, he developed a website and set up an email. *Kiita* also directed funds for a marketing campaign, specifically brand development, logo development, design of letterhead, business cards and rack cards.

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### **Status: April 2008**

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Jason has worked on this plan for several years and has purchased 120 acres of land on the Kobuk River near Kiana, Alaska, less than one mile from the Kiana Lodge. He also purchased a building kit designed by an ANCSA subsidiary and started construction in Sept. 2007 which will be complete in spring 2008. Additionally he has purchased a heavy hauling boat, a Cessna 172, tools, equipment and supplies. Jason reports his total investment to date exceeds \$145,000, but is beginning to run short of funds to complete the venture. Jason has also negotiated an agreement for travel with Frontier Flying Service, for travel to and from Kiana, and that the company has been very supportive of his efforts.

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### **Alaska Pride Seafood**

**Award Amount:** \$35,000

**Project Representative:** John Skan, Klawock

#### **Original Project Summary & Goals:**

*Alaska Pride Seafood* seeks to create a locally owned specialty seafood plant in the Prince of Wales Island community of Klawock. The seafood industry in the region is dominated by large, salmon-focused, non-resident companies. The goal of *Alaskan Pride Seafood* is to focus on resources such as prawns, geoducks, sea cucumbers, urchins, whelks, and octopus. It will establish a processing facility designed specifically for these species that will include live-hold and flash-freezing facilities, a packing line and both freezer and chilled storage rooms. Marketing will be conducted through established domestic and international dealers for each of these specialty items.

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### **Status: August 2008**

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*Alaska Pride Seafood* is working with SeaFisk Consulting on a business plan format developed by the University of Minnesota to incorporate financial planning tools developed for fishermen through the University of Alaska Marine Advisory Program. *Alaska Pride Seafood's* is also working with the Economic Development Administration in site improvements through cooperation with the City of Klawock. Presently Mr. Skan is talking with R&M Engineering for a dock load analysis - a requirement of an EDA funded structure built on a dock. R&M is also interested in doing the design work for the plant. Mr. Skan is working on marketing contacts in China for sea cucumbers, developing salmon sales contacts for Alaska seafood with Southeast companies. This specialty seafood processing plant is the first in Southeast Alaska.

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## **Growing Wild! Copper River Salmon Soil**

**Award Amount:** \$30,000

**Project Representative:** Kristin Smith, Cordova

### **Original Project Summary & Goals:**

*Growing Wild! Copper River Salmon Soil*, an initiative of the Copper River Watershed Project, is a composting venture that uses waste products of a local salmon processor and a small sawmill to transform a hand labor operation into the commercial production of a high quality gardening retail product. It will create employment opportunities, generate income that the CRWP can re-invest in its community economic development mission, and create a value-added product that is not currently available in the Copper River/Prince William Sound. *Growing Wild!* will be a profitable business, demonstrating a model for sustainable economic development in small, coastal Alaskan communities.

**Technical Assistance Credit:** *The Growing Wild! Copper River Salmon Soil* did not apply or receive additional technical assistance credit funding.

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## **Status: September 2009**

*Growing Wild!* has forged ahead with working to expand their composting business from a hand labor operation to a commercial scale venture. "Some steps have worked out well, others have been less successful, and we have learned that that's part of operating a small business – experimentation eventually leads to growth, but not always on a direct path."

Kristin Smith decided against forming a separate limited liability company and is operating the composting business within the business framework of our non-profit organization, the *Copper River Watershed Project*, until we decide to sell the business as a turn-key package.

*Growing Wild!*, purchased a tractor in 2008 to help operate the mixer they already had, but the tractor never shipped (a communication gap) and by the end of the summer we realized we didn't need it as much as we needed a second composting drum. They are working on re-selling the tractor and will contract for construction of the second drum this winter. (They requested enough funds to purchase a tractor and a forklift, but received less than requested so focused only on purchasing a tractor.)

They purchased one self-dumping hopper in May, 2008 to make sure it would work as intended. Unfortunately, it has not worked because the sawdust is too bulky to “pour” into the drum; they will sell the hopper and use the proceeds for other equipment.

*Growing Wild!* would like to purchase land for its operations, but the cost is prohibitive. They have been operating on City land for the past four years, and plan to move to a different City lot next season that will be occupied by another economic development effort, the *Cordova Kitchen* for direct marketers fish processing.

They have looked into packaging made from cornstarch, but my recent conversations with a compost marketing consultant, Ron Alexander, tell me they are not successful (decompose on the store shelf) for packaging compost. Kristin is working on packaging design (Patagonia donated some creative services time in 2008 to design a bag front). After testing the 2009 product at a lab, they will refine the packaging appearance to emphasize product qualities. They did develop a label in 2008 that was used for the past two seasons and attached to the compost bags (recycled poly-woven bags).

*Growing Wild!* hired help each season, summer 2008 and 2009, as planned but produced less in summer 2009 because the source for sawdust moved out of Cordova. They worked this summer to locate more sawdust. Kristin visited a sawmill in Palmer that appears to be a good source and will work out the logistics of transporting sawdust from Palmer to Cordova and storage in Cordova, but the mill produces just what is needed.

The Summer 2008 staff expenses were higher than in 2009 for two reasons: they made slightly less compost in 2009 (limited supply of sawdust) and in 2008 the staff person conducted research on purchasing equipment, (a one time expense).

*Growing Wild!* sold compost in spring, 2008 in Cordova and in the Copper Basin, and did the same in 2009. This year, they sold the compost wholesale to the local hardware store, which worked very well. The product was in high demand for the month of June, when gardeners are planting their summer seeds and seedlings. They did produce 27 yards of compost in 2008, which we sold in Spring 2009 through the Cordova hardware store and in the Copper Basin (shipped compost on the ferry through Valdez). With a second drum constructed in winter 2009 – 2010, they should double that production.

A sample was sent to Woods End in Spring 2008 which received favorable results that we used in developing the draft packaging. Ron Alexander has identified a different lab in the west coast that is closer and more affordable.

*Growing Wild!* is preparing for a fall 2009 compost sale for the end of September 2009.

Kristin is working on package design and product testing to be able to send test product to the Dimond Greenhouse in Spring 2010. Ron Alexander has ideas about product packaging: for Cordova, they may use 5 gallon buckets with product identification stickers and have customers return the buckets for refills or re-use.

They realize the need to have a more stable location plan on contracting for construction of the second drum this winter (2009 – 2010).

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## *Alaska Marketplace II Continued*

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### **Sensible Heating for Alaskans**

**Award Amount: \$30,000**

**Project Representative: Ben Johnson, Petersburg, Southeast Region**

#### **Original Project Summary & Goals:**

The objective of *Sensible Heating for Alaskans* is to create a company that can reuse burnable waste items such as wood waste and cardboard by pressing the processed components into briquettes that can then be sold as an efficient, and clean burning heating fuel. The benefits to the local economy will be a cheaper, cleaner heating source and the elimination of the need to ship the waste off island as well as the creation of new employment.

#### **Technical Assistance Credit: \$10,000**

*Sensible Heating* utilized the technical assistance credit for a web site and web hosting and to create a logo for retail boxes and bags. In addition, assistance was used for establishing bookkeeping services.

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### **Status: September 2009**

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*Sensible Heating* is in operation and is set to expand this spring, moving into the production of other waste wood biomass products ranging from wood pellets for pellet stoves to alder food smoker disks.

Most of the original goals have been met with the exception of initial product release and employee share with Petersburg Indian Association. They found after a short time they would need to create a drying mechanism to begin full-time production. It had to be engineered and built, reengineered and built again, setting them back several months. As for sharing employees with PIA, once the briquetting plant was at capacity they needed full-time personnel devoted to the creating and packaging of the briquettes.

Working in partnership with PIA they are using energy formula grant funds to purchase a pellet mill, grinder, and dryer (pellets require far dryer wood than briquettes).

There is currently one full-time employee with a second full-time employee to be hired this spring for work on the expanded operation.

The biggest success so far has been an agreement with the Coast Guard. Unbeknownst to *Sensible Heating* when creating this business the Federal Government is required to heat/power their buildings with local renewable resources when available. Once the pellet mill portion of the operation is operational they will be charged with supplying heating fuel for the Coast Guard base and housing.

"The overly optimistic view on drying wood set us back a lot". Ben reported, "we came close to shutting the project down before we finally found the answer."

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## *Alaska Marketplace II Continued*

### **Dineega Specialty Furs**

**Web Address:** [www.dineegafurs.com](http://www.dineegafurs.com)

**Award Amount:** \$30,000

**Project Representative:** Diana R. Burton, Sitka

#### **Original Project Summary & Goals:**

*Dineega Specialty Furs* is a family owned skin sewing business and has goals of expanding. Its goal is to buy raw materials in the form of seal and sea otter skins, and fashion into professionally made garments and artwork. To do this, they must create a commercially zoned workshop to be more productive, work full time, permit customers to visit and see the process of making the artwork, hold skin sewing workshops, and hire a local Alaskan Native to train in the art of skin sewing. This expansion is needed to keep up with the local demand and various events as well as the growing tourist economy in Alaska.

#### **Status: September 2009**

*Dineega* business is still in operation and going great. The workshop idea was modified with the move from Sitka to Diana's home town of Cordova. Diana recently bought a house in Cordova and converted a B&B space in the downstairs of the house into *Dineega's* new workshop. It has its own entrance and the space is great for manufacturing and classes and the garage right next to it is the stretching room for furs. Diana has obtained a good supply of tanned furs and is gearing up for some new shows this winter. With the move to Cordova, Diana has been marketing with donating products for fundraisers. One of her full size pillows just generated \$1,350 for a college scholarship fund. She has also started selling products in the Ilanka Cultural Center in Cordova and is excited to work with them and do some teaching in the room set up for skin sewing classes.

*Dineega* has two employees under contract. One hunts seals and one helps with the fabric sewing part of the business. With the move to Cordova, Diana is looking to train and hire a part time employee for making baby booties and slippers. She has identified one person who would really like to start soon; she is an Athabascan and has two very small children that have kept her home. With this opportunity to work with Diana, she can bring her kids to work for a few hours each week, or take her projects home with her and work on them out of her home.

*Dineega* has also expanded the commercial fishing business with the move to Cordova and own a 46ft delta seine boat with a top house that can used for extended sea otter hunting trips this winter. Being able to harvest her own sea otter pelts will bring the materials cost down some and also open up a new market for tanned sea otter pelts.

Diana was featured in the 25th anniversary issue of Rural Development News by UAF, where it mentioned the



Alaska Marketplace Competition as information about the business.

"I am just really happy with my move home and I know it will just bring good things for my business. I have lots of home town support, and this is the place I feel most creative and connected to the resources I use. Thank you to the Alaska Marketplace again, your support and funding has helped my business grow. I can now support my family with the income I earn from my business and commercial fishing and that has really made my move home possible. Thank you again".

### **Alaska Educational Tours, LLC\***

**Award Amount:** \$30,000

**Project Representative:** N. Jill Wheeler and Tonia Gilkey, Anchorage, Southcentral Alaska

#### **Original Project Summary & Goals:**

*AkEdTour* sofferes high quality, customized, educational land tours to educators and special interest groups. *AkEdTours* will expand tour options to include winter tours using a multi-faceted marketing effort, providing incentives, decreasing tour costs by providing our own transportation and educational opportunities for travelers, workshop facilitators and guest service workers. The essence of *AkEdTours* is culture. Our tours immerse travelers in daily lives of rural Alaskans not by merely visiting, but by staying in small inland and coastal communities - through these cross-culture experiences our travelers learn about Alaskan cultures.

#### **Technical Assistance Credit:**

*Alaska Educational Tours* utilized the technical assistance credits for web-site design and hosting. In addition, they secured services for accounting consultation and tax consultation. As required for their business, Jill and Tonya also received their CDL permits and licenses. Lastly, they utilized their credits for marketing for the creation of rack cards, brochures and advertisement for their business.

### **Status: September 2009**

*Alaska Educational Tours* established their business as a LLC, developed a web-site and purchased a vehicle for the tour business. Their client target were educators to provide continuing education credits. They did successfully provide two tours in 2008 and in early February. Since this time, it has been reported the LLC between the two partners will be dissolved. There was considerable interest and support in what the business offers, it is hopeful the LLC will be resolved and the assets and debts distributed, and the business will continue as a sole-proprietor.

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## *Alaska Marketplace II Continued*

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### **Airport Pizza (Tomter Enterprises, LLC)**

**Award Amount: \$30,000**

**Project Representative: Geraldine Tomter, Nome**

#### **Original Project Summary & Goals:**

The goal of *Airport Pizza* is to meet the increased business and service needs in Nome. It currently employs 27 people, half of which are Alaska Natives. Growing up in an Inupiaq family that strongly embraced Inupiat values has influenced the owner to respect Elders, cooperate, work hard, and share with others. The values-based approach to working with the employees is directly related to the success of a business in Rural Alaska.

#### **Technical Assistance Credit: \$10,000**

*Airport Pizza* used their credit for a "point of sale system" to track daily sales by menu item, server sales and tips, credit card processing, inventory and time cards for employees. The credit was also applied to the hardware, PC and necessary software for the system.

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### **Status: August 2008**

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*Airport Pizza* has expanded their business, upgraded the building, added a weekly entertainment schedule, free wireless access, specialty coffees and smoothies, beverages, free Nome delivery and the village delivery through the air service carriers. The construction planning began in May 2007 and completed in December 2007. The restaurant is open 7 days a week with varied hours of operation and employs approximately 40 people, an increase from 30 before the expansion. The updated website [airportpizza.com](http://airportpizza.com) offers 11 "menus". Tomter Enterprises has fulfilled their business plan of expansion to fill a community need for a clean and healthful smoke free place and offers the Nome and surrounding communities an entertainment and meeting place which is valued after the Inupiat culture of community gathering.

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### **40 BELOW INK**

[www.40belowink.com](http://www.40belowink.com)

**Award Amount: \$30,000**

**Project Representative: Barbara Farris, Fairbanks**

**Original Project Summary & Goals:** *40 BELOW INK*, an independent publishing company, is committed to producing books and books-on-tape by Alaskan authors and illustrators, emphasizing stories about life in Alaska and Alaskan cultures. In Alaska, there are many talented writers and artists, but few publishing opportunities for residents. By publishing books about and by Alaskans by taking advantage of the strong interest in living and preserving its histories and stories, it will not only provide jobs, but work to promote tourism, especially in Alaska's rural areas.

#### **Technical Assistance Credit: \$10,000**

*40 Below Ink* utilized the technical assistance credit for their web page design, including an on-line store and uploading eBooks for an ecommerce site.

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## **Status: September 2009**

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*40 Below Ink* has moved to Anchorage from Fairbanks. They have selected their first manuscript for publication and are working towards a publication date of November 2009. They have announced their debut author, Izzy Ballard, author of *Alaska Virgin Air*. *Alaska Virgin Air* is a comedic mystery set in Fairbanks, Alaska, against the backdrop of a rural air service.

*40 Below Ink* is currently accepting submissions, agented and unagented. Preference will be given to writers who currently live in Alaska or those who have lived in Alaska at one time.

Fiction: Contemporary adult, multicultural, mystery and chick-lit. Alaska must be central to the plot. Proposal should include: One-page cover letter; Ten-page synopsis; first three chapters.

Non-fiction: Contemporary, humorous stories of life in Alaska, humorous Alaskan travel guides. Proposal need to include: cover letter; Overview; Marketing analysis; Chapter outline; Chapter-by-chapter summaries; Sample chapter; Author information.

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## **The Yukon Adventure Company**

[www.borealisalaska.com](http://www.borealisalaska.com)

**Award Amount:** \$25,000

**Project Representatives:** Jon & Tanya Korta, Galena

### **Original Project Summary & Goals:**

*The Yukon Adventure Company* will be an ecotourism business located in the Yukon River village of Galena. Traveling by sea kayak in the summer and dog sled in the winter, the Yukon Adventure Company will offer small groups guided wilderness adventures on the Yukon River and the surrounding area. Optional side trips will include riverboat and small airplane sightseeing trips. The knowledgeable guides (who are themselves rural Alaskan residents), will offer visitors a unique insight into life in rural Alaska that cannot be found on other tours. Its interactive, slow paced wilderness trips, with comfortable overnight accommodations ranging from small trapper cabins and yurts, to local bed and breakfasts.

### **Technical Assistance Credit: \$10,000**

*Yukon Adventure Company* requested funds for a financial management software and consultant for establishing a LLC/Business structure. Jon also attended a marketing travel show in London and a wilderness first responder training in Seward, Alaska.

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## **Status: September 2009**

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*Alaska's Borealis Adventures* is located in the Yukon River village of Galena, Alaska. They offer year round, guided, small group wilderness journeys on the Yukon River with a focus on experiencing the wonders of the

Alaskan wilderness, understanding rural Alaskan lifestyle, and gaining insight into Koyukon Athabascan Native culture. Clients choose from multi-day or overnight sea kayak tours in the summer months or lodge based and wilderness dog mushing adventures in the winter. Whatever the season, *Alaska's Borealis Adventures* can help you enjoy the trip of a lifetime.

The region surrounding Galena is blessed with a diverse offering of cultural and natural history opportunities virtually undiscovered by most Alaskan visitors. These include the Yukon River, three National Wildlife Refuges (Innoko, Koyukuk, Nowitna), gold rush history, the Iditarod Trail, native history and culture, and a variety of plant and animal wildlife.

Each night is spent at a comfortable river camp, where guests will sleep in unique, cozy yurts or wall tents and will be served fresh, wholesome meals, offering a sample of local fare including fresh Alaskan salmon, moose, and wild berries.

It is the goal of *Borealis Adventures* that our trips go beyond the ordinary. The trips will be rewarding for the mind, body and spirit, and guests will go back home with a true taste of the cultural and natural history of the Yukon River region. Alaska's Borealis Adventures, come see for yourself!

For more information, contact Jon and Tanya Korta at [info@borealisalaska.com](mailto:info@borealisalaska.com), visit our website at [www.borealisalaska.com](http://www.borealisalaska.com), or feel free to call them at (907) 656-1981.

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## **Tava View Adventures**

[www.tavaviewadventures.com](http://www.tavaviewadventures.com)

**Award Amount:** \$15,000

**Project Representative:** Karen E. Stickman, Lake Clark

### **Original Project Summary & Goals:**

*Tava View Adventures (TVA)* goal is to offer an authentic and simple rural Alaskans eco-tourism company catering to women customers. The business will be operated from June -mid-September. It will be located at Quizjeh Vena in the Lake Clark National Park. The camp will be remote but comfortable with log cabins for rest and a steam bath for refreshing. The highlights of the experience will include: hiking, photography, boating, berry picking, fish camp and Dena'ina Athabascan cultural education. Fishing opportunities will be provided upon request. Arts and crafts will be sold and provided by local womens cooperative. Marketing will be offered to women both in and outside the state of Alaska.

### **Technical Assistance Credit: \$10,000**

*Tava View Adventures* utilized technical assistance credit for a legal and business consultant, to design a logo and for a brochure design. Funds were also used for a construction consultant to renovate two cabins. Karen also requested funds to establish an accounting system and to attend a Business Development & Skill Building, Networking & Marketing Training.

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## **Status: September 2009**

Since the Alaska Marketplace Award, *Tava View* has been in operation. Marketing material including the development of a website and brochures were produced. *TavaView's* principal client population are women

at this point in time. But Karen is seriously considering expanding it's target market and providing day trips to the fish camp and having clients stay at the nearby log cabin. During the past summer of 2009, representatives from the "Animal Planet" scheduled a trip but it was postponed. Karen had indicated she has learned a considerable amount in what it takes to run a business and continues to market the business to potential customers. Karen realizes its takes more than having a website on the business, she recognizes it's important to have more "hands on" marketing strategy.

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## **Forget-Me-Not-Alarms-Memory By Design**

**Award Amount: \$15,000**

**Project Representative: Sherri Adams, Juneau, Southeast Region**

### **Original Project Summary & Goals:**

*Forget-me-not Alarms-Memory By Design* will sell and design cell phone covers and carriers, and later add purses, key rings, and wallets fashioned after various Alaska Native regalia (kuspiks, parkas, mukluks, etc.) with an optional built-in alarm system. Additionally, each product will be accompanied with literature explaining Alaska Native regalia, history, and use. This innovative product combines traditional arts and crafts while utilizing contemporary technology. The company will provide a product and service that is both practical and functional while supporting Alaska Native people and culture by buying quality products from them.

### **Technical Assistance Credit: \$9,935**

*Forget-Me-Not-Alarms – Memory-By-Design* utilized technical assistance funds for setting up an accounting system, pattern development and training. Resources were also spent for a design patent, design of a company logo, setting up and maintenance of a website.

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## **Status: August 2008**

Sherri has continued to utilize personal relationships with Alaska Native crafts people and was a vendor at the very popular Fur Rondy Native Show in the Dimond Mall. She has joined professional groups such as the Silver Hand Artist program run by the State of Alaska. She has also ordered supplies to establish her inventory and is currently developing her website. Sherri is recruiting sewers for her projects and concentrating on her marketing plan. Sew Alaska is in the process of securing a patent for her cell phone alarm.



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## ***Alaska Marketplace II Continued***

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### **One Man's Trash is Another Man's Treasure**

**Award Amount:** \$50,000

**Project Representative:** Joseph A. Afcan, St. Mary's

#### **Original Project Summary & Goals:**

Almost every yard in rural communities has broken-down ATVs, outboards, snowmachines and cars. *One Man's Trash is Another Man's Treasure* will purchase these machines at low prices to rebuild and resell at a higher price – clearing up the clutter at the same time. Alaska Native values stress to take care of the lands that we hunt and occupy. There is no better place to start than the villages from which we live.

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### **Island Heritage Tours**

**Award Amount:** \$30,000

**Project Representative:** Theresa Squartsoff, Ouzinkie

#### **Original Project Summary & Goals:**

Ouzinkie has access to some of the best fishing grounds within the Kodiak islands. There are several charter operators, but it lacks a regular marine transport schedule to and from Kodiak. The community of Ouzinkie, working with the Kodiak Island Convention and Visitor's Bureau, has identified culturally based tours. The objective is to provide: a culturally based day tour of Spruce Island and Ouzinkie for the summer season; a centralized booking service for all of Ouzinkie's tourism related businesses; a regularly scheduled marine transport service using existing charter operators to and from the City of Kodiak and Ouzinkie. Visit: [spruceislandcorporation.com](http://spruceislandcorporation.com)

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### **Commercial Organic Greenhouse**

**Award Amount:** \$30,000

**Project Representative:** Tanya Kyle, Nikolski,

#### **Original Project Summary & Goals:**

Nikolski IRA Council owns and operates the local store. Fresh produce is expensive, if available. Our tribally owned electric utility is installing a wind turbine this summer that will provide more electricity than our community can use. The Council wants to use the excess electricity to heat and electrify a small greenhouse operation that can grow produce for use within our community and that we can market to a lodge on an island jointly owned by APICDA and Chaluka Corporation.

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### **St. Lawrence Ivory Exchange**

**Award Amount:** \$25,000

**Project Representative:** Isaac Kulowiyi, Savoonga,

#### **Original Project Summary & Goals:**

*St. Lawrence Ivory Exchange* in Savoonga seeks to sell ivory at an affordable price to Alaska Native artists statewide. Raw ivory is available year round and sold to Alaska Natives; and fossil ivory is available in the summer. As the business grows and develops, it will train and hire young people in the community.

# Alaska Marketplace III ~ Winners

## **Cup'ik Dance Songs of the Tundra**

**Award Amount:** \$25,000

**Project Representative:** Dr. John F. Pingayak, Chevak

### **Original Project Summary & Goals:**

The goal this project is to produce a video of two adult and two children's Eskimo dance numbers, composed by Dr. Pingayak with written lyrics in Cup'ik and English, performed in a traditional setting-tundra or qaygiq (meeting house). An explanation of the song and the meaning behind the dance in the song will be provided. We will include humor, short stories, and the traditional values of the Cup'ik people and teach students video production, script writing and planning. Lastly, we will produce high quality productions to encourage others to produce similar recordings.

### **Status: September 2009**

*Cup'ik Dance Songs of the Tundra* have ordered and received their equipment including two cameras, one Mac computer for editing, one seven video copier, and DVDs with extra chips for the cameras, and extra batteries. September 16, 2009 was the first segment of video shoots with cameras. They recorded video clips of the seven songs with dances. They will start editing shortly.

They have hired three students to dance and they have three cameras operating as they record the dance scenes. They will compensate three additional people, a Director named Joseph Gorski, a technical assistant named Laron Thomas and another technical assistant named Conor Ferguson. The dancers names are Reggie Tuluk, Feline Matchian, and Karla Agimuk. They plan to film an explanation of each song between each segment of dances. They will also design a DVD cover. They plan to complete the first volume of dances before the AFN Convention in Fall 2009, where they hope to sell copies of the first DVD.

Following production of this first video, they plan to produce a film for small children and increase the production with several additional volumes of songs written by John, as well as those written by his grandfather and other traditional numbers.

They are also currently working out the details of an agreement with the University of Alaska-Anchorage to produce videos about Cup'ik subsistence fishing.

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## Kachemak Shellfish Mariculture Grower Cooperative (From Shellfish Subsistence to Sustainable Farming)

**Award Amount:** \$27,945

**Project Representative:** Marie Bader, Homer

### Original Project Summary & Goals:

Shellfish farming in Alaska is greatly under-developed. Although Alaska has more coastlines with nutrient-rich, cold, unpolluted, protected water than all the rest of the United States, Alaska ranks at the bottom for producing clams, mussels, and oysters. Any coastal village that has historically gathered clams and mussels could very easily transition to cultivate the market of shellfish for the world's markets.

Because shellfish mariculture in Alaska is a new industry, the *Kachemak Shellfish Mariculture Association (KSMA)* is working to change the face of mariculture in Alaska, but the process is multi-faceted and needs specific financial assistance to accomplish. *KSMA* is currently building a first-ever in Alaska Shellfish Facility to promote mariculture of shellfish in Alaska. This building will house processing, retail, education and training space.



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### Status: September 2009

After sixteen years of planning, permitting and construction *Kachemak Shellfish Mariculture Grower Cooperative (KSMG)* celebrated the grand opening of its new building in Homer on June 9, 2009. The building is 4,200 square-feet, two-stories and includes a retail oyster shop and processing facility. The salt water well is expected to be installed by October 2009. The building will also have space for educational opportunities for the public to learn how to grow oysters.

The Co-Op has 14 oyster farmer members selling an estimated 2,000-4,000 dozen oysters a week from the facility. Currently oysters are primarily sold to local restaurants in Homer and the surrounding areas. The long-term goal is to market and sell the oysters to a direct market by-passing the distributor.

*KSMG* is working on forming partnerships with the Seldovia Village Tribe and nearby communities of Port Graham, Nanwalek to assist in oyster growing operations. A U.S. Department of Agriculture Economic Development Administration grant provided the major support for the \$1.5 million building.

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## *Alaska Marketplace III Continued*

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### **C Side Lumber Works (Small Scale Sawmill)**

**Award Amount:** \$27,945

**Project Representative:** Fred Sagoonick, Shaktoolik

#### **Original Project Summary & Goals:**

To start a small economically feasible lumber mill utilizing beached spruce driftwood commonly found on the beaches between Shaktoolik and Unalakleet. The plan includes purchasing of a small portable sawmill and construction of a facility in Shaktoolik. Lumber made will be of the most prevalent sizes used in building construction and home improvements.

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### **Status: March 2009**

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Fred reports the sawmill ordered in November 2008 from New Zealand arrived late March 2009. He spent the winter and spring scouting around for good stands of harvestable timber on both village Corporation and BLM lands. The mill was setup early spring and they got driftwood and did some milling to learn how to work the unit. They are now in the process of building the infrastructure including drying racks and in the planning stages for a more permanent facility near the river. Some local residents have purchased some lumber from the experimental cuts and are quite impressed with how well the mill works.

In late August, Fred and Jim Fincher, BLM's Nome Office Supervisor marked trees he can harvest on BLM lands. They've yet to issue a permit but informed Fred that it should be issued in November.

At the beginning of September, Fred was again a finalist in Norton Sound Economic Development Councils, Small Business Initiative competition. Fred reports, "This time around I was able to convince the judges that this can work and will go towards helping keep the cost of building material down locally since we don't have to add freight charges. They awarded my project another \$30,000 to help bring it into fruition. "

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## Alaska Marketplace III Continued

### Forest Firewood

**Award Amount:** \$29,060

**Project Representative:** Mark Leary, Bethel

#### Original Project Summary & Goals:

With the skyrocketing cost of energy in Rural Alaska, leadership in the Native Village of Napaimute's proposes to develop a firewood business to create further economic opportunity in their community to help provide affordable energy alternatives to Lower River residents through the use of new technology. They plan to utilize project-dedicated employees, specialized firewood production and packaging equipment, and web-based advertising by selling packaged firewood of various sizes using barge transportation.

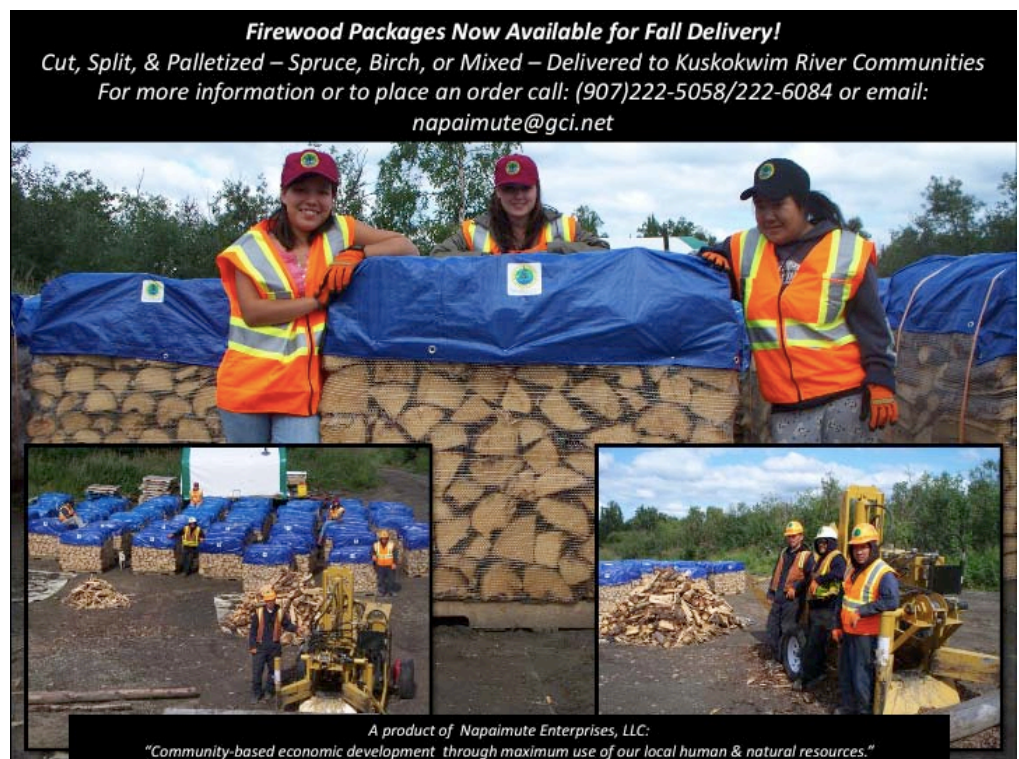
#### Status: September 2009

One of the main focuses of Napaimute Enterprises over the past month has been the establishment of the firewood venture. Using the direction of the Council, given at the January Work Session, to "make it work this year with what you have", the Director has invested a great deal of time into getting Napaimute's firewood business off the ground. After all of the months spent researching and planning, it has been rewarding to see it come together and the firewood packages start to be produced. It has been a huge learning curve, but one, we have well prepared for. With this hands-on experience, the actual expenses of production are carefully being recorded to ensure that our pricing will facilitate success.

Of great concern though to

Napaimute's struggle for economic development, has been the proposed firewood business that has been "given" to AVCP. The Alaska Legislature appropriated \$400,000 to ship 2,000 cords of firewood to our region to be sold at the amazingly low price of \$220 per cord. The Director has been told that this is all chopped packaged firewood – very similar to what Napaimute is doing, but it is not possible for us to do it for that price. Mark reports, no person with a snow machine and sled can sell raw firewood logs for that cheap!

The Program is supposed to be sustainable: pay for itself and continue year after year. AVCP has been given



the huge task of administering and making it work. The Director sent a letter to AVCP demonstrating concern and inquiring about the possibility of Napaimute being involved since they have done so much of the research and planning for their own firewood business (although, certainly not for this kind of volume!). They plan to continue their own firewood business development, on a reduced plan. Originally, the goal was to produce 200 pallets this season, but we estimate it will be between 50 and 100 pallets. This will establish Napaimute's name in the firewood business, without too much of an investment. In addition, under the current production system they would be unable to produce 200 pallets of seasoned firewood in time for the last fall barge to Bethel.

These are some of the key things learned during this initial season of Napaimute's firewood business:

- The firewood processor works great, but needs a conveyor. It can pump out a small mountain of firewood each day, but the slow part is stopping to unload the out feed trough as it gets plugged up with firewood. A conveyor is needed to keep the firewood constantly moving out and away from the machine.
- Supply isn't a problem. We produced 30 pallets just from the wood salvaged from the airport gravel pad clearing. We have a few years supply still down at the dump.
- Manually loading the firewood bags is very labor intensive. It takes two people about an hour and a half to load one bag, cover with a tarp, and band to a pallet. Makes a very nice package though. Wood is packed neat and tight. Good for shipping and more products for the customer. We will have to weigh the cost benefit of quantity versus quality. We can produce more pallets for less by using a conveyor to load (there will be less product in each bag) or we can hand load and produce fewer but higher quality packages. Probably a combination of both would be best, and then offer different packages at different prices.

To complete our 2009 season they will begin an ad campaign in August-October that will include a newspaper ad w/ pictures showing our product and the local people that produced them. An ad will also be mailed to each of the Lower River Corporation Stores offering the product delivered to their villages for resale. An agreement has been reached with the barge company for delivery to villages above and below Bethel.

The key to 2010 will be stock piling a large supply of chopped firewood over the winter so it can dry and packaging can begin right away late in the spring.

A forester from the NRCS is scheduled to come to Napaimute this fall. His task will be to develop a thinning plan for Napaimute's huge forest resource in the lower section of Tract 6. They need to know how many of the trees to take and still maintain a sustainable resource. He will be able to tell them how many cords to take per year to be used in planning for the future years of the firewood business: How many firewood packages can we produce just with trees from this area? With this information they will forecast whether or not they will need to supplement our supply with wood from other areas (driftwood, State land, etc.) to meet the annual production goals.

In closing this section of my report it is important to recognize Audrey Leary & Kaitlin Kristovich for all their long days of hard effort at producing firewood packages. Their good careful work has gotten Napaimute off to a good start at being the region's first organized, reliable firewood business.



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## ***Alaska Marketplace III Continued***

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### **The Meyers' Farm: Farming on the Tundra**

**Award Amount:** \$30,000

**Project Representative:** Tim Meyers, Bethel

#### **Original Project Summary & Goals:**

The Meyer's family has developed a small family garden into a dynamic 3.5-acre farm. Currently, the farm supplies vegetables to dozens of community members during the summer and up to 30 people year round. However, the farm has reached its capacity. The goal is to develop resources that allow the farm to achieve increased self-sufficiency and provide vegetables to a growing number of people year round.

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### **Status: September 2009**

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The Meyer's requested funding for two primary areas: to construct a larger underground root cellar and build a greenhouse on top of the root cellar to include an irrigation system. Both of these projects were accomplished utilizing the award funding.

The Meyer's leased acreage from the state for a crop of potatoes this summer. The farm produce is chemical-free and includes: napa cabbage, broccoli, cauliflower, green and red cabbage, radishes, turnips, cucumbers, zucchini, kale, collard greens, parsley, cilantro, various types of lettuce, beets, carrots, potatoes, rutabaga, tomatoes, artichokes, green onion, leeks, basil, peppers, dill, spinach, green beans, wax beans, squash, mescaline mix and mustard greens. Produce is sold to residents for \$30.00 a box. Tim indicates that produce is at least 50% more in price than sold in Anchorage due to shipping costs.

The Meyers plan is to store root vegetables underground to market them in the winter. Due to the success of the project, the Meyer's have partnered with the University of Alaska, Fairbanks Cooperative Extension and the newly formed Bethel Sustainability Coalition. Meyer's Farm is also working with the "Farm for Food" program participants. They have also been invited to present at numerous conferences about their success.

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### **Porcupine River Timber**

**Award Amount:** \$30,000

**Project Representative:** Dacho Alexander, Fort Yukon

#### **Original Project Summary & Goals:**

*Porcupine River Timber* is an innovative business geared towards building rural housing of the future. The objective of this housing project is to maximize the use of local natural resources in the construction and heating of energy efficient housing in the rural Gwich'in community of Fort Yukon. Built with locally logged and milled white spruce, the homes will be constructed to accommodate both solar panels to provide electricity, and a centralized biomass wood-fired boiler system, providing heat and hot water for multiple homes in order to reduce the cost of living for individual residents.

## **Status: September 2009**

*Porcupine River Timber* is moving forward for the planned mill wood and purchased a Quonset hut and equipment in the spring of 2009, which was barged over the summer. They have poured concrete and plan to install the power pole by October 2009. *Porcupine River Timber* has been air-drying wood compared to processing wood. Their goal is to have an operating mill wood facility by summer 2011. To supplement income, they plan to sell firewood to local residents. Dacho reported it has been a significant challenge to order and receive equipment and supplies in such a remote location. Additionally, when a piece of machinery breaks down, there's enormous expense to currier the machine for repair or replacement. There is limited expertise in the community with the knowledge to repair equipment.

## **Igiugig Village Greenhouse, Kvichak Organic Produce**

**Award Amount:** \$36,900

**Project Representative:** AlexAnna Salmon, Igiugig

### **Original Project Summary & Goals:**

*Igiugig Village Greenhouse* will provide flowers, fresh fruits, vegetables, and eggs to local residents and area businesses by using organically grown and harvested produce. Igiugig Tribal Village Council has successfully completed their pilot projects of a community chicken coop, potato garden, village beautification and worm waste fertilizer. The goal is to offer healthier food choices to combat obesity and related diseases such as diabetes.

## **Status: March 2009**

The business is in the planning and implementation phase because it is so new to the village and is being implemented with an extensive education component. *Kvichak Organic Produce* has hired three part-time employees.

*Kvichak Organic Produce* is quickly blossoming into an enormous under-taking as they continue to add new components into the design. For example, they collaborated with Igiugig Environmental Department's recycling program to use waste paper products and have found additional funding for a burn unit that is more suitable to their needs than the original plan. They also collaborated with the local electric utility to install wind turbines to provide a renewable energy source to power facilities. They have arranged a two-credit course for a UA instructor to visit Igiugig in April to offer greenhouse management, composting, and how to grow vegetables organically. AlexAnna has attended several events to broaden her understanding of the business venture. Overall, the business has made incredible progress—the plan far exceeding the original expectations. However, the more components added, takes more time to actually start-up the business.

Several people from the Cooperative Extension Service are mentoring AlexAnna.

Additional funding was received from the Pebble Fund for the renewable energy component of the project and they received a mini-grant from the Alaska Food Coalition to buy vegetable seeds. They received a

significant donation from the Iliamna Lake Contractors for the actual construction of facilities applied to the Alaska Agriculture Innovation Grant for recommended farming equipment, and working with NRCS for parking/trail construction funding.

"I am realizing that the Alaska Marketplace Competition was the best start to a new business, and all the motivation! However, it is just a "start" and requires a lot of work after the competition. Also, you can never budget enough! So I would say that there has been wonderful help and the organization is friendly enough to return and ask for more if it is needed. "

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## **A Cut Above Quilting (Quilting Utilizing Advanced Computer Technology)**

**Award Amount:** \$46,575

**Project Representative:** Barbara Ramos, Bethel

### **Original Project Summary & Goals:**

*The Quilting Corner* will be a new home business that will flourish due to the abundance of quilters in the Bethel area. This business will fulfill a void; presently only one person is providing quilting services. Many of the region's quilters depend on quilting to supplement their livelihoods and to express individual passions.

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### **Status: September 2009**

Barbara officially began her quilting business in January 2009. Since that time, Barbara ordered and is learning to use her new quilting machine. I am so thankful for the opportunity to make my dreams come true! Thanks to all the judges for voting my idea in. I'll always be thankful! The machine finally made it to Alaska at the beginning of January. The dealer came to Bethel on January 7 and put it together. I've been learning to use it since then and have concluded that all those professionals that I watched made it look so easy to operate! My expectations are to learn this machine both inside and out, which may take a few months! My website will not be up until I start quilting for cash, something that I really wanted to start immediately, but will have to wait on until I'm sure that I won't ruin somebody's quilt because of mistakes I make! I'm learning patience, especially with this machine without ears and a "Yes, Ma'am!" attitude!

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## ***Alaska Marketplace III Continued***

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### **Tundra Woodworks**

**Award Amount:** \$9,315.00

**Project Representative:** Patrick Tall, Chevak

#### **Original Project Summary & Goals:**

*Tundra Woodworks* intends to start a woodworking shop to build strong, quality sleds. In rural Alaska, freight sleds are a necessity for a subsistence life style. Sleds ordered are plastic and because of the extreme conditions break easily and cannot be repaired. *Tundra Woodworks* will build quality freight sleds, using locally harvested and commercial grade materials and have equipment available for repairs.

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### **Southeast Alaska Livestock Production and Processing**

**Award Amount:** \$18,630.00

**Project Representative:** Clint Daniels, Sitka

#### **Original Project Summary & Goals:**

This project expands and augments an existing successful agriculture project in Sitka. It will provide a mobile USDA meat processing facility that enables the economical production of pork and poultry in southeast Alaska communities. Pigs and poultry are bred at the facility and raised solely on cast-off food from grocery stores & restaurants. This waste food is otherwise disposed of as non-recyclable garbage and barged to the lower 48 at a great cost to the city.

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### **The Dugout**

**Award Amount:** \$18,630

**Project Representative:** Louise Walcott, Nome

#### **Original Project Summary & Goals:**

*The Dugout* will be a mobile food service business that will offer traditional fast food items along with daily and weekly specials. It will also offer a healthier style menu to promote better life choices and encourage young people to eat healthy. As a small mobile unit, *The Dugout* will be able to offer competitive prices due to the low overhead cost

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# Alaska Marketplace IV ~ Winners

## Gwich'in Tribal Heating Alternative

**Award Amount:** \$50,000

**Project Representative:** John Hardy, Fort Yukon

### Original Project Summary & Goals:

The objective is to purchase a wood pellet making machine and wood pellet burners and implement them into Tribal Government facilities in order to cut down on operating costs. After prolonged use and proven results, community members will be compelled to bury their own burners for home use. This will provide homeowners an option for cheaper and cleaner heating solutions to help with the rising oil costs in Fort Yukon, one of the coldest spots in Alaska.



## Status: September 2009

*Gwich'in Tribal Heating Alternative* expanded their initial goals: "To lay the foundation that will allow us to produce a marketable energy product through use of wood waste from within the community and employing as many employees as possible in the process of achieving self sustainability."



**Long Term Goals:** To produce wood pellets and other alternative heat sources by way of available natural resources in northern rural AK that cuts down on diesel consumption."

The current plan calls for installation of wood pellet heating units in the tribal facilities to help lower the cost of operations and promote a cleaner burning energy to the community. Another focus of the project will be to process the immense wood waste that we have available and convert it to a usable product that can be burned in wood stoves or used as a tool in landscaping, gardening and smoking meats. This will be done with a high-powered wood chipper. By marketing

the wood chip stockpile the plan is to set up an operation that produces alternative heat and other usable products that were not available in Fort Yukon in the past.

*Gwich'in Tribal Heating Alternatives* researched and purchased four, 2,200 BTU wood pellet stoves, 175 40 lb



wood pellet bags, a wood chipper.

The attached photographs (Cultural Tribal Hall recycling center with attendant) are of the facilities that will be installed with the wood pellet stoves. Currently these buildings are heated with toyo-stoves and wood stoves. The plan is to supplement the oil and wood heat with the new technology of automated wood pellet stoves to help lower our costs and promote the alternative heat in Fort Yukon. The equipment is being installed now, behind schedule because the tribal hall was under renovations all summer due to spring flooding in Fort Yukon. John reports "FEMA was a big help in getting us the funding to repair our buildings and now they will receive new stoves that will benefit us all for many years to come."

John summarized the direct beneficiaries of the project: Tribal Government; local boat contractors; installation laborers; Brush Cutters; equipment operators; local economy; local airlines; equipment vendors; GZ Fuel Company; and Tribal Members.

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## **Kanektok River Adventures (KRA)**

**Award Amount:** \$40,000 & People's Choice Award – Best Display Award \$1,000

**Project Representative:** Warren Jones, Quinhagak

### **Original Project Summary & Goals:**

KRA provides a full-service base camp for international archaeologists and offers a wide range of eco-tourism experiences for visitors to Western Alaska. The primary customers will be archaeology students in university programs, such as the University of Aberdeen in Scotland. Climate change, rising waters, and erosion are threatening to eradicate millennium of Yupik cultural history in the Yukon/Kuskokwim Delta, and this project will preserve and catalog the culture.

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## **Status: September 2009**

In the summer of 2009, between 2,000 and 3,000 artifacts, which is estimated to be the largest collection of prehistoric artifacts from the YK Delta, were found and rescued on the eroding shoreline of the Bering Sea several miles south of Quinhagak. The items found include artwork, weapons, carved dolls, toys, bentwood bowl pieces. The artifacts, are estimated to be between 300-1,000 years old, are being preserved and cataloged. The visiting archeologists worked with the elders "combining traditional and local knowledge and with western science".

Four archaeologists from the University of Aberdeen, one from Bryn Lawr College, Steve Street archaeologist from AVCP along with numerous local volunteers assisted in the project. Next summer, there will be additional digs with the above mentioned archaeologists and with additional assistance from students and professors from Japan.

Once KRA was awarded funding from the Alaska Marketplace Competition, the Native Village of Kwinhagak, Qanirtuuq, Inc. offered \$100,000 in funds for the project. Other partners included the University of Alaska Fairbanks, Marine Advisory Program and the UAF Department of Alaska Native and Rural Development and the Department of Archaeology at the University of Aberdeen in Scotland.



Warren indicated future plans are to apply for 501 ( c ) 3 and apply for additional grants with a dream to build a local museum once artifacts are preserved.

## **Building Kobuk River Cabins and A Community**

**Award Amount:** \$37,550

**Project Representative:** Eva Sheldon-Mandregan, Anchorage/Kobuk

### **Original Project Summary & Goals:**

The goal of this project was to build cabins using alternative energy solutions along the Kobuk River. The winner planned to create jobs in her community by hiring local residents from the villages of Kobuk, Amber and Shungnak to build the cabins, and by hiring local tour guides for hunting, fishing, and sightseeing. Scroll down to view images of the Kobuk River Cabins campsite and learn about this winner's progress.

### **Status: September 2009**

Since receiving their award money in June, Kobuk River Cabins has purchased all the tools, equipment, and materials needed to build their first cabin. They also purchased a large sawmill, which took six local men to transport to the campsite.

They started construction of the cabin and campsite in July. The campsite and cabin will be completed this Fall. With the award money, they were able to hire four laborers and two carpenters, creating six jobs in their local community. They had volunteers as well -- and plenty of people stopping by the campsite to get a look at the sawmill and the progress being made. The sawmill was quite the talk of the area for a while, with local folks offering suggestions left and right.

Kobuk River Cabins had to wait on freight planes to get materials to Kobuk, which delayed their construction timeline. Even before finishing construction, Kobuk River Cabins hosted their first visitors this summer! The group stayed in Kobuk, and got a good sense of life in a small traditional village in the Arctic. They loved it and are planning to return for winter fishing and fall hunting. The visitors enjoyed the company of the winner's father and were impressed by the effort being invested in the business, as well as it's benefit to the surrounding community.

Kobuk River Cabins' success in winning the Alaska Marketplace competition landed them in the NANA Hunter Shareholder Spotlight, Arctic Sounder, and RuralCAP Village Voices. The media attention provided a great opportunity to show people what they have to offer, and that persistence does pay off -- Kobuk River Cabins did not win the first time they entered the competition, but they learned from that experience, and won the second time around!

They believe that the publicity also showed that normal, everyday people can make a difference if they apply themselves and take advantage of opportunities.

Writers for the NANA Hunter are planning to visit the Kobuk River Cabins campsite in the Fall to stay in the cabin and take photos of their family campsite. People taking the initiative to use their own resources to help the communities, and improve life in the area make for a great story!

Kobuk River Cabins was exclusively funded by their Alaska Marketplace winnings, so the rising cost of air freight, material, and fuel has taken a toll on the business. With a few other unbudgeted items that came up, they found themselves unable to purchase the alternative energy equipment they had hoped for. But the good news is that they plan to learn from their experience and account for similar unbudgeted items in their next application for funding.

They continue to have people call for visits to the Kobuk and are planning to build more cabins. "Build it, and they will come!"

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## **Yukon Winter Transport**

**Award Amount:** \$30,150

**Project Representative:** Nate Endicott, Fort Yukon

### **Original Project Summary & Goals:**

The objective is to create a sustainable overland winter freight company for the community of Fort Yukon. The goal of the business is to provide employment and reduce the cost of living by transporting freight along the Yukon River to Circle, which is connected to the road system, which in turn, would reduce transportation costs.

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### **Status: September 2009**

Since receiving the award, an office for operations for Yukon Winter Transport has been established. Some required equipment has been purchased. Nate reports the operation of the business is on hold at least until next year due to logistical and employment issues in Fort Yukon.

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## *Alaska Marketplace VI Continued*

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### **Cordova Greens**

**Award Amount:** \$30,150

**Project Representative:** Ellen Americus, Cordova

#### **Original Project Summary & Goals:**

The goal is to provide locally and organically grown produce to citizens and restaurants in Cordova. Currently, there are no local commercial produce growers in Cordova. All produce is flown or shipped. This project aims to provide fresher and healthier product, eliminate transportation costs, create employment and serve as an educational resources of ecologically sustainable farming practices for the community.

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#### **Status: September 2009**

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*Cordova Greens* is currently considering the option of modifying their business idea to establish a non-profit. Ellen reports that there is an enormous amount of support in the community of Cordova for this.

During the summer of 2009, *Cordova Greens* has made lots of compost for next summer. Ellen bought land, which she will begin using once the road goes in next summer. If *Cordova Greens* becomes a nonprofit, they will work with the Eyak Preservation Council, volunteers and community members, to shift their focus from profit-making to education. The goal is still to provide fresh, affordable, local organic produce to the citizens of Cordova. Growing will start next April, with sales starting next summer, according to the original plan. *Cordova Greens'* next step is to buy portable greenhouses (4) to be used next year, when the road is ready to build a permanent structure.

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### **Salmon By-Product Utilization for Regional Agricultural Project (Alaska Bounty)**

[www.alaskabounty.com](http://www.alaskabounty.com)

**Award Amount:** \$20,000, *People's Choice Award – Most Innovative Award* \$1,000

**Project Representative:** Izetta Chambers, Naknek

#### **Original Project Summary & Goals:**

This project would reduce the amount of waste discharged into the Naknek River and utilize fish waste to produce valuable agricultural fertilizer that is high in proteins and micronutrients. The fertilizer would be applied to local soils in the Bristol Bay Region in order to initiate an agricultural demonstration project to produce crops that will be sold within the Region.

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#### **Status: September 2009**

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*Alaska Bounty* began operations during the 2009 salmon season. The activities as originally proposed in the submitted timeline were met, including:

- Clearing the land with a bulldozer
- Installing a bear fence
- Posting signs

They have gained acceptance within the local community, dispelling some of the fears that the project site would attract bears. Additionally, they have formed an important strategic alliance with a local Alaskan landscaping company that may end up as a significant customer in the future. The website at has generated additional sales leads and interest for the future.

They have had to modify their activities to account for an excessive amount of trash and debris unearthed at the project site. This delayed the land application portion of the project considerably and represented the most significant and unexpected obstacle encountered so far. They will likely need to modify their original plans and “building the soil” from the ground up - making the soil from the fish waste, compost materials, wood chips, and peat moss, rather than using the soil that is on-site.

They have not yet sought or received other sources of funding for this project, but will likely seek funding in 2010.

*Alaska Bounty* hired one part-time seasonal employee, and one contractor to install the bear fence.

Following the May *Alaska Marketplace* Competition, *Alaska Bounty* was featured in the Bristol Bay Times, as well as in the “Movers & Shakers” Section of the Alaska Journal of Commerce.

## **Igyan Eco Tours – Award \$18,500**

**People’s Choice Award – *Best Cultural and Traditional Values Award* \$1,000**

**Project Representative:** Juliana Zacharof-Wagner, St. Paul

### **Original Project Summary & Goals:**

The project objective is to expand and promote local sustainable businesses by incorporating cultural heritage, which has been diluted for multiple generations through assimilation efforts. *Igyan Eco Tours* will build Iqyan (Kayaks or skin boats).

## **Status: September 2009**

This summer, *Igyan Eco Tours* collected over 200 Northern Fur Seal Skins, and hired 3 people to blubber the hides. They also collected 45 seal brains to tan the hides this winter. The skins are brined the traditional way with salt water and rock salt. Trident Seafood’s has donated 3 totes of rock salt, 2 totes for brining the hides and approximately 30 man-hours for transporting and installing salt water into the totes.

Juliana spoke to the President of the Tribal Government and he is currently working with his staff on donating man-hours for the repair of the roof for the six-car garage where production will take place. They have sent in a request for the building materials to be shipped to St. Paul and are in the process of purchasing the Toyo Stove for the six-car garage. The metal roofing material needed will be donated by the community, and an individual on the island will donate his time to re-wire the six-car garage. Another individual has agreed to

install a double door at the six-car garage. They are in the process of obtaining the specks for the building of the Iqyan, and plan on using the fur seal hides for the top of the Iqya and using sea lion hides for the bottom portion of the Iqya.

Iqyan Eco Tourism has received additional donations from:

- Aleutian Pribilof Island Association = \$300.00
- The Aleut Corporation = \$1,000.00
- Trident Seafood's = No dollar amount just recognition per plant manager

Future funding and resources will be received from the Aleutian Housing Authority and other sources.

The people in St. Paul Island are excited about the project and are willing to help in any way they can this winter. They plan to have one authentic Iqya built by spring and have 3 available for kayaking tours this summer. Juliana has enrolled in several advertisement promotions, with specific promotion to the *Iqyan Eco Tours* and several magazines are interested in coming to St. Paul next summer to see the business first hand.

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## **Wolf Pack Industries – E-Commerce Model**

**Award** \$10,650

**Project Representative:** Jason Currier, Unalakleet

### **Original Project Summary & Goals:**

Wolf Pack Industries will operate an electronic or “virtual” garage sale or flea market, to help sell items that one may not know what to do with. At their virtual store, they plan to list and sell items for a percentage of the final selling price.

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## **Status: September 2009**

WolfPack Industries is alive and well, and they are in the process of "changing gears" and reintroducing the concept to new students and staff. Wolf Pack Industries has also begun making plans with NACTEC in Nome to put the second business into a full storefront, with a curriculum for students to follow and learn how to start their own e-commerce model business. They are focusing on getting the students up to speed and running the show. The Nome business model is just beginning and logistics as well as timelines are a work in progress, but the new director is open and supportive of the plan/model and wants to make the business the best learning tool it can be.

This will allow more than the original two villages to have some sort of exposure to the business model. The only real obstacle encountered has been a change in staffing and the loss of senior students familiar with the model but this will be overcome as the year progresses.

No other new funding has been obtained, but they were able to add the carry over from the 08/09 school year to the equation in Unalakleet. The Nome project will be entirely funded from the *Alaska Marketplace* winnings.

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## **Kuskokwim River Fisheries Micro Fish Processing Plant**

**Award Amount: \$50,000**

**Project Representative: Francis Reich, Bethel**

### **Original Project Summary & Goals:**

The goal is to construct a micro fish processing and storage facility in Bethel. This Plant will capitalize on newly developed Alaska State Department of Fish and Game's – Catcher/Seller Commercial Fish Permit. High quality fish species will be processed locally through an "approved" micro fish processing facility and will create jobs and much needed long term employment for Bethel and surrounding villages.



## Appendix E

**TO: ALASKA MARKETPLACE JUDGES IN  
YEARS 2006, 2007, 2008 AND/OR 2009**  
**FROM: GEORGE IRVIN, AFN STAFF**  
**RE: JUDGES' EVALUATION QUESTIONNAIRE**  
**DATE: JULY 22, 2009**

Each of the people to whom the attached questionnaire has been sent has served as an Alaska Marketplace judge at least once in the past four years (2006, 2007, 2008, 2009). We have purposely made the questionnaire simple and brief in order not to overburden you. Please fill in your answers (typed or hand-written) in the blank spaces provided below the questions. Also, please write at the top of the sheet your name and the year(s) when you have been a judge.

For those of you who were judges only in the first or second competitions, it may be difficult to remember the process you went through back in 2006 or 2007. But please let us know any strengths and weaknesses that you do recall from that time.

We will include a summary and compilation of all responses in our "Best Practices" evaluation (for the Denali Commission and others). We will be happy to send you a copy of the entire four-year evaluation when it is completed. It will also be sent to our funding sources, partners, assessors, technical assistance providers, competition winners, and all other competitors. Your answers will be an invaluable help to AFN on future improvements in the Marketplace.

As a guide to your memory, the main functions of the Marketplace have included: partnerships with sponsoring institutions for prize money, technical assistance and in-kind expertise; publicity/outreach to advertise competitions; initial "Innovative Idea Applications;" the assessors' screening process to choose finalists; finalists' business plans and budgets; the judging process to choose winners; People's Choice Awards; the Competition Event and Award Ceremony; the available pool of prize money; business education and technical assistance for finalists and winners; and any other Marketplace functions or methods you wish to add.

When you have filled out the questionnaire, please send it to me (George Irvin)  
Email: ([girvin@nativefederation.org](mailto:girvin@nativefederation.org)); Fax ([907-276-7989](tel:907-276-7989)); or Postal Service:

**Alaska Federation of Natives**  
**1577 C Street, Suite 300**  
**Anchorage, AK 99501**

Thanks for your consideration, and I hope you are having a good summer. We appreciate everything you have done for us.

# **EVALUATION QUESTIONNAIRE FOR ALASKA MARKETPLACE JUDGES**

**1. In your experience with one or more Marketplace competitions, what were the strengths and best practices of AFN's process - those things you would advise us to keep doing in the future?**

**2. Likewise, what were the flaws, weaknesses, or problems in the process - those things that we must improve, change or drop in future competitions?**

## Appendix F

# The World Bank's Innovation Market

by Robert Chapman Wood and Gary Hamel



Harvard Business Review

Reprint R0211H

# *The World Bank's* Innovation Market

by Robert Chapman Wood and Gary Hamel

*Whether you're fighting global poverty or launching new products, you need to build a pipeline of smart, practical ideas. Here's how the World Bank did it.*

THE ATRIUM at the World Bank's headquarters soars 12 stories above H Street NW in downtown Washington, DC. Ordinarily, a walker's footsteps echo through it, and the sheer vastness of the hall can be overwhelming. But on February 9, 2000, the entire area crackled with excitement. Crowding in and around 270 cramped booths were more than 700 people, each intent on pitching an idea for alleviating poverty. This polyglot assembly was united in its passion for improving the lot of the billions of people in this world who live in poverty. And the World Bank—the epitome to many of a slow, cumbersome bureaucracy—was eager to listen. What's more, the Bank was ready to fund genuinely new approaches to solving one

of the world's most intractable problems. The event was, many felt, nothing short of a miracle.

At the culmination of this, the Bank's first Development Marketplace, 44 teams from around the world received innovation grants. As the winners were announced, a South African team broke into a celebratory dance. Their chanting rang through the atrium, imparting to the event a spirit quite unlike that of any other World Bank meeting. As one veteran staffer noted, "I've never been so excited about what we're doing. It all felt so *worth it*."

The climax of three years of plotting and planning by a small team from the World Bank's corporate strategy unit, the Development Marketplace—and subsequent related efforts—gave the in-



ternational funding agency a new way to advance the cause of economic prosperity. The program emphasized rapid and repeated experimentation over careful but ponderous decision making, and small infusions of cash over multi-million-dollar investments. And the Development Marketplace gave people whose voices were usually ignored an opportunity to put forward their ideas and compete for funding.

In short, the Development Marketplace has laid to rest the broadly held suspicion that large organizations are incapable of dramatic, grassroots innovation. Not only did the program lead to the funding of many radically new ways to combat poverty—for instance, vaccines for tropical diseases and insurance for postdisaster construction—but it also taught the World Bank how to unleash the remarkable potential of its people and its clients.

### Planting Seeds of Change

Poverty is a systemic problem. It has hundreds of mutually reinforcing causes. No central authority, top-heavy investment committee, or cadre of policy makers—however brilliant—will ever be able to comprehensively address poverty's causes or fully redress its innumerable consequences. That insight spurred World Bank staffers Dennis Whittle and Mari Kuraishi to take an entrepreneurial approach to the challenge of reducing global poverty. It was apparent to them both that the Bank's primary "products" – improved economic policy and megaloads for large-scale development projects—often failed to get at poverty's deeper causes.

Whittle held a master's degree in development economics, but he had always been baffled by the way the Bank worked. "Most people just sort of locked on to the Bank's established business process: We do studies, process documents, and make loans," he recalls. Whittle didn't believe the established processes would, by themselves, produce the kind of changes that poor countries needed.

Kuraishi, meanwhile, was in some respects a second-class citizen at the Bank:

She held a master's degree in Russian studies and all but the dissertation for a doctorate in political science, but economists and finance people largely ran the Bank. Kuraishi, however, believed that economists understood only part of the poverty problem. They were not naturally predisposed to delve into its social and cultural roots. Nor did they know how to begin development in poor nations that lacked the necessary laws and basic business practices.

In 1992, the director of the Bank's Russia program teamed Kuraishi and Whittle and asked them to develop a lending strategy that would improve Russia's shoddy, energy-inefficient apartments. Kuraishi's sensitivity to the roadblocks that can come up when policy makers and businesspeople attempt any kind of political or economic transformation in the former Soviet Union was critical to the success of the program that emerged. Whittle and Kuraishi worked closely with progressive government officials to create institutional arrangements that ultimately channeled hundreds of millions of dollars into weatherproofing and making other energy-efficiency improvements to buildings and apartments that would otherwise have been uninhabitable and unaffordable. Whittle, Kuraishi, and their local allies developed plans that guaranteed lenders would be repaid when they made loans to improve Russia's housing stock. The Bank recognized this innovative achievement, and by 1997, Kuraishi was acting chief of the group managing the Bank's \$5 billion portfolio of Russian loans.

Meanwhile, investment banker James D. Wolfensohn had been named chair of the World Bank. He wanted the organization to develop new strategies and ways of working that would help it better fight poverty. So under Wolfensohn's tenure, Whittle was asked to lead a new-products initiative that soon fell under the purview of the corporate strategy unit. Word of the program spread quickly, and Whittle found himself flooded with e-mails from people with product ideas. More ideas poured out of the discussion sessions Whittle was leading with senior Bank execu-

tives. Before long, he realized that the Bank, like most large organizations, had no efficient process for sorting through a cascade of new ideas. No one at the top could properly evaluate more than a tiny fraction of the proposals. "It was obvious that there were a lot of bright, creative people around, and we weren't tapping them in the right way," recalls Marcus Williams, deputy director of Whittle's team. Moreover, as months went by and no clear plan for new products emerged, Bank executives began to hint that they could make better use of the team's \$5 million budget. The new-products initiative was being considered a failure before it had even gotten started. At this point, Whittle entreated Kuraishi for help, and she joined the team in early 1998.

One of Kuraishi's first steps was to schedule a brainstorming session—not to generate more product ideas but to devise new ways of evaluating, prioritizing, and funding the ideas that had already been collected. She and Whittle convened an all-day meeting of strategy staffers and personal friends from other parts of the Bank. The group talked through the morning without making much headway. But in the afternoon, there was a breakthrough when someone said, "It's like a market. You have people with ideas over here and people who are looking for good ideas to fund over there, and you need a mechanism to bring them together." The group immediately warmed to the market metaphor. "How," the members asked, "could we create marketlike structures and incentives that would cause people with ideas to behave like sellers and people with development money to act less like bureaucrats, looking for iron-clad guarantees of success, and more like venture capitalists who minimize risk by spreading small investments over a broad portfolio of start-ups?"

Suddenly the small conference room was abuzz with provocative analogies and insights. In a market for goods and services, buyers and sellers find one another without much intervening bureaucracy. Surely it must be possible to build a market for antipoverty ideas

where innovators and funding sources can network—in a way that the Bank's formal, top-down review process discourages. There had to be some way to truncate the Bank's standard review processes, which often stretch to a year or more. Funders should be able to make small commitments quickly, with the goal of exploring nascent strategies. The World Bank should develop an ethos of rapid and repeated experimentation, and it should establish a way to make seed investments in the tens of thousands of dollars, rather than in the tens of millions of dollars more typical of Bank-financed projects.

Within three months of that meeting, the new-products team announced that it would use \$3 million of its \$5 million budget for relatively small awards to be distributed at an Innovation Marketplace in the Bank's atrium in May 1998. Team members knew they would fund some ideas that weren't fully developed and that would ultimately fail. But they believed an open process that helped many innovations take root would produce more breakthrough ideas in the long run than would a centralized process of resource allocation. They hoped that the challenge of presenting proposals in a competitive marketplace would motivate would-be entrepreneurs to refine any half-baked ideas. And because all the entries could be easily compared and contrasted at the Innovation Marketplace, the forum would be an efficient way to sift through the backlog of new-product ideas.

### Gathering Support

To generate excitement and to spur even more new thinking, team members blitzed the rest of the Bank's staff with e-mails and plastered signs throughout the Bank's buildings and parking garages. They asked the heads of key units if new-products team members could speak at their staff meetings. "We made

pests of ourselves really," Williams says. "We bullied the [unit heads] to get them to encourage their people to come forward with their ideas. We said, 'You've got to find people. We know they're there.'"

But it wasn't long before the campaign encountered strong opposition. Some senior executives were appalled by the idea that the Bank would speculate on new and untested ideas. The

Although the proposals tackled very different poverty-related issues, they all had one thing in common—each needed only a modest infusion of cash to get started.

World Bank had never before distributed funds without an exhaustive review of each project. No group, the skeptics insisted, had the right to spend money without following the Bank's well-established resource allocation process. The young team members supporting the project had neither the clout to win a dispute with their more senior managers nor the authority to go over their heads. Suddenly, it appeared that the Innovation Marketplace would be canceled.

Luckily, the new-products team had picked up an unexpected ally in John H. McArthur, a former dean of the Harvard Business School and an old friend and classmate of Wolfensohn. When Wolfensohn took the chief executive's job, he had asked McArthur to get to know people in the Bank and to keep him posted on what was happening at lower levels. McArthur had learned about plans for the Innovation Market-

place and had discussed the project with Wolfensohn. He was also aware of the impasse the naysayers had produced, and he suggested that Wolfensohn do something about it.

Looking back, Wolfensohn says, it was easy to understand the skepticism: "You're going to be distributing \$3 million right in the atrium. There was already a bureaucratic practice that every single penny would go through an approval process. So the notion of speculating on ideas that were not fully formed struck some people as absolutely unacceptable." But Wolfensohn also believed that the Bank needed to start taking more risks, so he met with the skeptics, voiced his strong support for the initiative, and quickly got their agreement to go ahead.

### Calling All Innovators

Only Bank employees were invited to participate in the first marketplace, and the turnout was high. One hundred twenty-one teams set up booths in the atrium, armed with simple posters, radical ideas, and lots of enthusiasm.

The panel of judges assembled by the new-products team included widely admired leaders from nonprofits such as Oxfam International and World Vision; executives of private organizations such as ABB and Battelle; and a few senior World Bank executives. The judges were able to consider dozens of different proposals in a matter of hours, and at the end of the day, they divided the \$3 million into 11 grants.

Though certainly the most tangible, the cash grants were not the only positive outcome. Participants also competed for People's Choice awards, which were voted on by all those who attended the marketplace. Some 2,000 attendees—mostly Bank staffers but also people who worked in nearby development offices—picked up colored stickers at the entrance of the atrium to vote for their favorite projects. The booths that received the most stickers were declared the People's Choice. These winners did not receive immediate funding, but the recognition that came from earning an award at a major World

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*Robert Chapman Wood is an associate professor of strategy at San Jose State University in California. He can be reached at wood\_rc@cob.sjsu.edu. Gary Hamel is the visiting professor of strategic and international management at the London Business School and the chairman of Strategos, an international consulting company based in Menlo Park, California. He can be reached at gh@strategos.com.*

Bank event boosted their chances of gaining support in the future, from donors inside and outside the Bank. Participants also met hundreds of visitors, some of whom would eventually become collaborators and donors. Perhaps most important, the marketplace became a catalyst for further innovation. As people talked with one another about their proposals, ideas mutated and expanded, sparking even more experimental notions. "People just responded to it," Williams recalls. "They said, 'It was so great to have a day when I could put out this idea that's been in my head for years and talk about it with senior people in the Bank.'"

According to Amie Batson, a World Bank employee who won a grant for what would become a major initiative on vaccines for underresearched tropical diseases, "The Innovation Marketplace suddenly made it OK to say, 'Here's a really big problem. We don't know the answer, and we have to do something to figure it out.'" It gave staffers permission to look beyond established hierarchies and practices.

In their booth, Batson and her group hung homemade posters – reminiscent of a seventh-grade science fair – that conveyed a powerful message: "Millions of people are dying." "There is almost no investment in vaccines. Why not? Market failure." Batson was astonished by the enthusiasm she encountered. "People responded to this issue of market failure and the idea that the Bank could do something to correct that," she says. Batson's team received \$265,000. It used some of the money to pay for the services of people in the Bank's legal and finance groups and some to study how the pharmaceutical industry develops vaccines for tropical diseases. And because of the group's participation in the marketplace, hundreds of people learned about the vaccine project. Senior executives at the Bank were willing to make time to speak with the winner of a major innovation competition when, previously, they would have turned down meeting requests from unknown junior staff members.

This network played a key role in the development of the Global Alliance for

Vaccines and Immunization. Working with the Bill & Melinda Gates Foundation and other funding agencies, the alliance has increased the use of existing vaccines. Not only that, the combination of increased funding and better insight into the workings of the pharmaceutical industry has enabled Batson's group to promote vaccine development in a way that maximizes the impact of relatively small investments – by addressing the diseases that do the greatest amount of damage in poor, tropical countries. Currently, a vaccine for pneumococcal pneumonia and related diseases is being tested in Africa. And two drug companies have expressed interest in a product to be created just for Africa that would control forms of meningitis that ravage the continent.

Another winning project at the 1998 marketplace proposed bringing free-market discipline to disaster relief. Over the years, the Bank has lent more than \$30 billion to developing countries to help them rebuild after floods, earthquakes, and other natural disasters. But professionals involved in this lending know that disaster aid frequently finances poorly built structures that fall again in the next big storm or earthquake. In developed countries, lenders ensure quality construction by requiring builders to take out insurance against potential structural defects; the insurers in turn make certain that good construction methods are used. But in most developing countries, insurance companies don't understand the markets well enough to insure big projects.

Alcira Kreimer, a lending officer in the World Bank's infrastructure group, led a small team that proposed that the Bank work with insurance companies to devise methods of insuring major infrastructure projects in developing countries. The insurers would have to arrange private-sector reviews of construction quality. Kreimer's team's posters demonstrated the potential impact of this innovation. "If you compare Seattle's 2001 earthquake to the recent one in El Salvador, you'll see that in Seattle there was relatively little damage," she says. "But losses to infrastructure

## Setting the Right Conditions for Innovation

**Increase the surface area of experimentation.** Ideas tend to evolve and expand through conversations, so the more people you can get involved, the more high-quality ideas you will generate.

**Establish a process for collecting and evaluating ideas.** The World Bank's Development Marketplace is an ideal forum for assessing the merits of various proposals to ensure that the most worthy ideas receive funding.

**Support projects that don't need huge investments to succeed.** All the proposals that were awarded funding at the marketplaces had one thing in common: They needed only a modest infusion of cash to get started. Investing thousands of dollars rather than millions let the World Bank fund many unproven but promising projects, which could ultimately produce more breakthrough ideas than a centralized process of resource allocation.

**Don't let traditional executives control the budget.** Many executives are so busy protecting their own departments that they're unwilling to risk "squandering" even small amounts of resources on new and untested projects.

in the developing world every year are enormous. In Asia alone, it's \$12 billion a year." To put that in perspective, the World Bank lends a total of \$17 billion annually.

Kreimer's team received a mere \$150,000, but that was enough to get started. The money paid for staff time that was devoted not to specific lending projects but to working with insurance companies and governments of developing countries on limiting risk through better-managed construction. As a result, large insurance companies committed to working in the developing world. In 2001, Mexico obtained a loan package from the World Bank and a group of private financial institutions totaling \$658 million for the first group of projects to be insured in this way. (The World Bank's share was \$404 million.) Similar initiatives are under way in Turkey, the Caribbean, and Central America.

### Expanding the Scope of Innovation

By the end of the 1998 Innovation Marketplace, Wolfensohn was a confirmed supporter, and Whittle's team was ready to aim higher. For 2000, the event would be renamed the Development Marketplace ([www.developmentmarketplace.org](http://www.developmentmarketplace.org)), and the forum would solicit ideas not only from within the Bank but from anyone, anywhere, with a viable idea for fighting poverty. It would be as if a corporation held an enormous innovation open house and invited its customers, partners, and shareholders to come forward with their boldest breakout ideas.

The new-products team now operated as though it were running a political campaign. Members covered the entire World Bank campus (six buildings in downtown DC) with publicity for the event. They used listservs to reach networks of universities, embassies, nongovernment organizations, international agencies, and media outlets around the world. Soon, fax machines were spitting out project proposals faster than they could be restocked with paper. Late-night pizza deliveries became a ritual. Overwhelmed by the

sheer number of submissions—1,138—the group had to find a way to winnow down the pool of applicants. Since only 270 booths could fit in the Bank's atrium, members of the corporate strategy unit and others they had recruited from various parts of the World Bank selected proposals based on their clarity, credibility, and potential impact on the poverty problem. Many applicants with impressive ideas couldn't raise the funds to travel to Washington, so Whittle's team also scheduled teleconferences for some 52 proposal teams to present to the jury, often arranged for 4:30 AM or 11:30 PM to accommodate groups from places such as Egypt, Uganda, and the Philippines. The sessions were videotaped so that all judges could see them. (As with the 1998 event, the judges included respected development experts from outside organizations as well as senior Bank executives.) Those who participated from afar did well in the judging—nine of 52 won start-up funds.

Because the Bank received so many high-quality proposals, its executives raised the amount of total award money from \$3 million to \$5 million. The judges distributed 43 grants in all, ranging from \$29,000 to \$380,000. Although the proposals tackled very different poverty-related issues, they all had one thing in common—each needed only a modest infusion of cash to get started.

For example, an American entrepreneur who imported the work of artisans from Latin America won funds to create an Artisans' Institute that would teach business skills to the craftspeople there. A entrepreneur from Zimbabwe had developed a low-tech process to produce a gel from agricultural rubbish—such as sugar cane waste—that could be used as fuel for cooking and heating, significantly cutting one of the biggest expenses for rural people in poor countries. He was awarded a grant to build a small plant. A World Bank project officer who had been working with officials in several Latin American countries to improve legal justice for indigenous peoples also submitted a proposal. He won money to train judges and their staffs in Guatemala about the culture,

languages, and traditional approaches to dispute resolution of Indians descended from the ancient Maya.

And once again, even participants who didn't win immediate funding benefited. Take, for instance, Gheorghe Barbarosie, vice president of the National Farmers Federation of Moldova, who staffed one booth. A country just northeast of Romania, Moldova used to be part of the former Soviet Union. The people in the farmers' federation formerly toiled as members of communist collectives. Through privatization, each had received a deed to about three acres of land. Many didn't know what to do with this meager windfall. Barbarosie cautioned that it was not really fair even to call his federation members farmers—they had no idea how to manage their farms, and many were tempted to sell their deeds for the Moldovan equivalent of about \$75.

Barbarosie was struggling, and he looked it. He was strikingly thin, and his posters were hard to decipher. But he had innumerable ideas for improving the lives of Moldovan farmers. For example, the federation wanted to teach Moldovans to plant new crops such as lavender and to make crafts at home. With great difficulty, Barbarosie had persuaded the Open Society Institute, a philanthropic organization, to pay for his air fare. He was seeking \$85,000, which would be enough to fund his group's entire development program; \$85,000 represents the annual income of roughly 200 Moldovans. Barbarosie didn't get a promise of World Bank funds at the marketplace, but he did meet people who could help him in the future. People from the Bank's environment program, for example, talked with him about how they might be able to fund the farmers' federation.

After the dramatic successes of winners from the 1998 marketplace and the clear triumph of the expanded 2000 version, Kuraishi and Whittle left the World Bank to pursue an even more ambitious market-based approach to development funding. Their latest project is called DevelopmentSpace ([www.DevelopmentSpace.com](http://www.DevelopmentSpace.com)), and its goal

is to make it possible for innovators and donors to interact entirely over the Web – think of it as an on-line business-to-business market for policy and program development. DevelopmentSpace began matching projects with donors in February 2002.

The World Bank, meanwhile, continued its efforts to create efficient markets for innovation. The Development Marketplace team, led by Arshad Sayed, a former World Bank country officer, set its sights on spreading the program's global impact even further. At a brainstorming session, someone suggested that the group promote its events in client countries. The group targeted Thailand first, because government officials there were looking for a way to address the digital divide that was developing between a prosperous few urbanites and the poor rural masses. The Thailand Country Innovation Day was held in June 2001 and showcased 36 ideas for using information technology to improve the quality of life in rural Thailand. Sponsors were recruited, and a regional knowledge-sharing forum was held at the same time, attracting participants from Thailand, Indonesia, the Philippines, and Vietnam. Fourteen teams won a total of \$145,000.

Successful Country Innovation Days followed soon after in Peru and the Ukraine in 2001, and in Brazil, Guatemala, and Peru in 2002. Learning from these events, the marketplace team honed its processes for generating event publicity, selecting and judging projects, and implementing the proposals. It has published these processes in a guidebook, which “allows us to operate like a franchise,” Sayed explains.

World Bank country officers and government officials in developing countries – two groups frequently characterized as being slow to change – have become fascinated with the possibilities offered by the Country Innovation Days, and demand for the events now far exceeds the marketplace team's ability to support them. The team is looking at staging Country Innovation Days in Indonesia, the Philippines, Vietnam, Ethiopia, Egypt, Morocco, and Mexico.

A Central Asian Innovation Day is also being designed to bring together innovators from countries including Kazakhstan, Turkmenistan, Uzbekistan, and the Kyrgyz Republic.

The second full-scale Development Marketplace in January 2002 received more than twice as many proposals as the 2000 program did. A knowledge forum and training programs held during the event helped participants share their experiences, and virtually every group that made it to the Bank's atrium this time seemed to merit funding.

### Even participants who didn't win immediate funding benefited.

In response, the Bank set up new systems to provide for regular Bank funding of selected projects that did not win in the formal competition. For instance, managers of specialized World Bank programs met with the finalists to explain other sources of Bank and non-Bank financing. In addition, members of the Development Marketplace team guided nonwinners to other agencies and funding alternatives. The World Bank is also working with the Harvard Kennedy School of Government to create a Web page on innovation where nonwinners and their projects will be listed.

### Lessons Learned

The infectious excitement that characterized the World Bank's first Development Marketplace has grown with each subsequent event and has led to dramatic successes for both world development and the Bank itself. Even many of the Bank's internal skeptics are now willing to admit that “micro innovation” can produce “macro results.” Beyond concrete achievements such as the program to promote postdisaster reconstruction insurance or the vaccination initiative, the marketplaces have helped to build a culture of collaboration. They are a highly visible sign of the Bank's commitment to the cause of development, and they have proven to be an

effective vehicle for uniting a legion of otherwise isolated and frustrated innovators.

The Development Marketplaces won't by themselves eliminate global poverty, nor are they the complete solution to the challenge of fostering innovation at the World Bank. A series of high-profile events is not the same thing as a well-developed capability for innovation. Entrenched bureaucracy still stands in the way. For instance, some Development Marketplace grant winners were asked by the Bank's lawyers to sign bewilderingly complex contracts that included impossible restrictions on the use of the money – restrictions designed for multimillion-dollar infrastructure lending.

If the World Bank is going to make a sizable dent in the problem of poverty, it must make the marketplace for innovation more than a biannual extravaganza; it needs to be open 365 days a year. Ideas, once proven, must be widely propagated. Funding needs to be substantially increased. And innovators who have made a difference should become role models and mentors for others. Nevertheless, the success of the Development Marketplaces and Country Innovation Days offers hope both for the world's poor and for business leaders looking to tap into the ideas that reside beneath the hard crust of corporate dogma, conformance, and bureaucracy. Other innovative efforts at the Bank – for instance, the agency's poverty reduction strategy papers aimed at building coherent self-help campaigns for developing countries – could ultimately turn out to be even more impactful than the marketplaces.

Solutions to big, messy problems – like global poverty or corporate growth – typically require two things. The first is a larger surface area of experimentation. Systemic problems are not solved by a few smart people (whether World Bank bureaucrats or corporate planners) thinking really, really deep thoughts about really, really important things. They are solved when a vibrant and competitive marketplace first tests and then confirms or disproves an array of possi-

ble approaches. Through its support of grassroots innovation around the world, the World Bank has been increasing the odds that new and effective approaches to economic development will emerge.

The second requirement is a loosening of the hold that tradition-bound decision makers have on resource allocation. In most organizations, resources flow to long-established departments or businesses. Each unit is defined by its scope (which customers or constituencies it serves) and by its approach (its operating model). A department is defined by what it does, yet it is also defined by what it doesn't do. And it is in this "doesn't do" space that breakthrough ideas are most likely to be found.

Unfortunately, most unit executives are unwilling to take responsibility for

customers and approaches that lie outside their group's charter. Indeed, they are often quite willing to use all the powers of incumbency (pleading their case to top management, exploiting their hierarchical stature, leveraging external relationships) to ensure that even small amounts of resources are not "squandered" on untested approaches to innovation. Careful controls are required when large financial sums are at stake. But it is often small investments, like those made at the Development Marketplace, that can open the door for truly dramatic change. By protecting the Development Marketplace's budget from bureaucrats who would have been happy to spend the funds buttressing their already substantial programs and projects, Wolfensohn helped correct

what is typically a very unequal balance between two organizational forces—perpetuation of the past and championing for the future.

The World Bank's Development Marketplace offers a valuable example of how large organizations can make space for radical, low-cost (and therefore generally low-risk) innovations—even when they can't easily change the minds of those who favor perpetuation over innovation. Almost every large organization contains dozens of would-be innovators who are ready to pour their hearts into new and unconventional ideas that serve their institution's mission; all they need is half a chance. 

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To place an order, call 1-800-988-0886.

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# **Appendix G**



## Alaska Marketplace Request for Technical Assistance Credit



Company Name: \_\_\_\_\_  
First Name, Last Name: \_\_\_\_\_  
Address \_\_\_\_\_  
City, State, Zip \_\_\_\_\_  
Phone: \_\_\_\_\_ Fax: \_\_\_\_\_ Cell: \_\_\_\_\_  
Email: \_\_\_\_\_

### 1. Identify Specific Technical Assistance Need(s):

	Provide Description	Estimated Cost	Dates: Start/Completion	

Do you have a specific vendor or provider identified? \_\_\_\_ Yes \_\_\_\_ No

If yes, please provide a Scope of Work, Bids or Estimates and complete the following section.

Technical Assistance Request: _____ Amount: _____
Company Name _____
Contact Name _____
Address _____
City, State, Zip _____
Phone _____ Fax _____ Cell _____

### 2. Identify Specific Technical Assistance Need(s):

	Provide Description	Estimated Cost	Dates: Start/Completion	

Do you have a specific vendor or provider identified? \_\_\_\_ Yes \_\_\_\_ No

If yes, please provide a Scope of Work, Bids or Estimates and complete the following section.

Technical Assistance Request: _____ Amount: _____
Company Name _____
Contact Name _____
Address _____
City, State, Zip _____
Phone _____ Fax _____ Cell _____

*Submit additional Technical Assistance Request Forms as needed.*

**Alaska Marketplace  
Request for Technical Assistance Credit**

**Submit this request form to:**

Alaska Marketplace  
1577 C Street, Suite 300  
Anchorage, AK 99501  
Fax (907) 276-7989  
Phone (907) 274-3611  
info@alaskamarketplace.org

Please allow 5 days for the Alaska Marketplace staff to review and approve all requests. Upon approval, Alaska Marketplace will issue payment to the vendor for services rendered.

**For official use only:**

Date received: \_\_\_\_\_

Approved: \_\_\_\_ Yes \_\_\_\_ No      Signed by: \_\_\_\_\_

Notes:

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Payment issued: \_\_\_\_\_

Signed by: \_\_\_\_\_ Date: \_\_\_\_\_

## **Appendix H**

**Alaska Marketplace  
Awardee Questionnaire to Identify Technical Assistance Needs**

Date:	
Name of Business:	
Address:	
City, State, Zip	
Phone Number:	
Fax Number:	
Cell Number:	
Web-Site Address:	

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**Question 1: General Questions**

A. Where are you in the process of starting your business?

- ☐ Still just an idea  
☐ Already registered business  
☐ How long have you been in business?  
☐ Already have customer/sales

B. Are you a first time business owner? ☐ Yes ☐ No

If yes, please provide brief explanation on previous  
Business: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

C. Do you have hired employees? ☐ Yes ☐ No

Number of full-time: \_\_\_\_\_

Number of part-time: \_\_\_\_\_

Number of Seasonal employees: \_\_\_\_\_



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## Question 2: Coach/Mentorship

Identify your Coach/Mentorship needs:

Type of mentorship needed	Company/or person	Would you like us to make a referral or recommendation? (yes, or no)
A.		
B.		
C.		

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## Question 3: Unexpected Challenges/Success Experiences/Outcomes

Survey Question	Awardees Response	Surveyor Comments
Are you currently experiencing or have you experienced any unforeseen problems?		
Have you experienced any significant successful opportunities or created new opportunities?		

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## Question 4: Training/Workshops

On a scale of 1 to 5 (with 1 being the highest), please rank the type of training you would be interested in:

_____ Finance/Accounting	_____ Marketing/Sales
_____ Public Relations	_____ Human Resources
_____ Legal	_____ General Business
_____ Information Technology	_____ Other (List)